

# **MUSINA LOCAL MUNICIPALITY**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

# Annual Financial Statements

for

## ***Musina Local Municipality***

for the year ended 30 June: **2014**

Province:

Limpopo

AFS rounding:

***R (i.e. only cents)***

### **Contact Information:**

<b>Name of Municipal Manager:</b>	J Matshivha
<b>Name of Chief Financial Officer:</b>	V Tshikundamalema
Contact telephone number:	0155346176
Contact e-mail address:	<a href="mailto:vhutshilot@limpopo.co.za">vhutshilot@limpopo.co.za</a>
<b>Name of contact at provincial treasury:</b>	JN Raphela
Contact telephone number:	0152918400
Contact e-mail address:	<a href="mailto:raphelajn@treasury.limpopo.gov.za">raphelajn@treasury.limpopo.gov.za</a>
<b>Name of relevant Auditor:</b>	G Odendaal
Contact telephone number:	0152839341
Contact e-mail address:	<a href="mailto:godendaal@agsa.co.za">godendaal@agsa.co.za</a>
<b>Name of contact at National Treasury:</b>	Thomas Matjeni
Contact telephone number:	012 315 5792
Contact e-mail address:	<a href="mailto:thomas.matjeni@treasury.gov.za">thomas.matjeni@treasury.gov.za</a>

**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**General information**

<b>Members of the Council</b>		<b>Appointment date</b>
M E Ramoyada	<b>Mayor</b> (1 July 2014)	July 2014
C M Phiri	<b>Mayor</b> (1 May 2011 to 30 June 2014)	May 2011
S F L Ndlovu	Member of the Executive Committee	May 2011
C M Phiri	Member	May 2011
E S Shirilele	Member	May 2011
M F Mafela	Member	May 2011
S M Phiri	Member	May 2011
L B Ndou	Member	May 2011
G N Milanzi	Member	May 2011
S J Kaunda	Member	May 2011
P S Tlou	Member	May 2011
G Mavhungu	Member	March 2013
PAC	Member	November 2013

**Municipal Manager**

J Matshivha

**Chief Financial Officer**

V Tshikundamalema

**Grading of Local Authority**

03

**Auditors**

Auditor-General

**Bankers**

ABSA

**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**General information (continued)**

**Registered Office:** Musina Municipality

**Physical address:**  
  
Civic Centre  
21 Irwin Street  
Musina  
0900

**Postal address:**  
  
**Private bag X611**  
Musina  
0900

**Telephone number:** 0155346100

**Fax number:** 0155342513

**E-mail address:** [vhutshilot@limpopo.co.za](mailto:vhutshilot@limpopo.co.za)



**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**Approval of annual financial statements**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 61, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



\_\_\_\_\_  
Municipal Manager:

DATE 29 August 2014

**Musina Local Municipality**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

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**Musina Local Municipality**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2014

	Note	2 014	2 013
		R	R
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	1 557 516	8 903 291
Trade and other receivables from exchange transactions	2.2	938 942	1 675 566
Other receivables from non-exchange transactions	3	19 879 789	20 318 167
Inventories	4	56 524 667	41 889 316
Investments	5	10 348 797	8 278 911
VAT receivable	12	2 165 687	2 526 412
<b>Non-current assets</b>			
Property, plant and equipment	6	240 767 556	232 322 330
Heritage assets	9	78 910	78 910
Intangible assets	7	193 349	288 801
Investment property carried at fair value	8	191 984 820	195 429 820
<b>Total assets</b>		<b>524 440 031</b>	<b>511 711 525</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	10	70 122 318	41 740 504
Consumer deposits	11	4 196 517	4 254 834
Transfers payable (non-exchange)-Department Transport	13	23 521 509	20 419 821
Other Employee Benefit	14	7 325 893	4 932 155
Current portion of unspent conditional grants and receipts	15	3 589 721	4 258 232
Current portion of borrowings	16	6 124 976	1 478 850
Current portion of finance lease liability	17	334 449	746 631
<b>Non-current liabilities</b>			
Non-current borrowings	16	26 422 764	15 192 257
Non-current finance lease liability	17	1 528 844	1 473 072
Non-current provisions	18	4 724 837	3 694 047
Post employment Medical Aid	43	8 100 411	6 346 975
<b>Total liabilities</b>		<b>155 992 239</b>	<b>104 537 377</b>
<b>Net assets</b>		<b>368 447 792</b>	<b>407 174 148</b>
<b>NET ASSETS</b>			
Revaluation Reserves		78 910	78 910
Accumulated surplus / (deficit)		368 368 882	407 095 238
<b>Total net assets</b>		<b>368 447 792</b>	<b>407 174 148</b>

Musina Local Municipality				
STATEMENT OF FINANCIAL PERFORMANCE				
for the year ending 30 June 2014				
	Note	2 014	2 013	
		R	R	
<b>Revenue</b>				
<b>Revenue from exchange transactions</b>				
Service charges	20	84 276 915	82 429 143	
Rental of facilities and equipment	21	373 314	266 258	
Interest earned - external investments	22	953 545	744 510	
Interest earned - outstanding receivables	23	1 731 329	1 319 725	
Other income	25	6 854 081	11 371 535	
<b>Revenue from non exchange transactions</b>				
Government grants and subsidies	24	55 445 510	44 934 639	
Property rates	19	11 342 602	10 664 480	
Fines		2 101 885	967 185	
<b>Total revenue</b>		<b>165 814 673</b>	<b>155 840 445</b>	
<b>Expenses</b>				
Employee related costs	26	77 846 039	47 143 371	
Remuneration of councillors	27	3 727 669	3 672 987	
Prov Bad debts		4 779 044	8 202 742	
Collection costs		26 739	16 850	
Depreciation and amortisation expense	28	20 410 564	18 997 429	
Repairs and maintenance	29	12 389 018	8 384 530	
Finance costs	30	3 003 493	1 939 619	
Bulk purchases	31	44 211 670	34 685 065	
Contracted services	32	5 431 606	4 904 217	
Grants and subsidies paid	33	2 964 975	2 672 542	
Operational Grant Expenditure	50	3 540 000	3 050 000	
General expenses	34	30 402 899	26 947 315	
<b>Total expenses</b>		<b>208 733 717</b>	<b>160 616 667</b>	
(Impairment loss) / Reversal of impairment loss	35	-6 396 198	-47 408 968	
Profit / (loss) on fair value adjustment	36	10 588 886	-5 724 065	
<b>Surplus / (deficit) for the period</b>		<b>-38 726 356</b>	<b>-57 909 254</b>	



**Musina Local Municipality**  
**STATEMENT OF CHANGES IN NET ASSETS**  
as at 30 June 2014

		Revaluation Reserve	Accumulated Surplus/(Deficit)	Total: Net Assets
		R	R	R
<b>Balance at 30 June</b>	<b>2012</b>	-	<b>449 686 568</b>	<b>449 686 568</b>
Changes in accounting policy				-
Correction of prior period error				-
<b>Balance at 30 June</b>		-	<b>449 686 568</b>	<b>449 686 568</b>
Revaluation Reserve		78 910		78 910
Adjusting prior year Liability			-449 514	(449 514)
Adjusting prior year Investment Property			15 897 600	15 897 600
Reversal Accumulated depreciation			2 682 839	2 682 839
Surplus / (deficit) Equitable share set off			-2 813 000	(2 813 000)
Surplus / (deficit) for the period			-57 909 254	(57 909 254)
<b>Restated balance</b>	<b>2013</b>	<b>78 910</b>	<b>407 095 238</b>	<b>407 174 148</b>
Revaluation Reserve		-	-	-
Surplus / (deficit) for the period			-38 726 356	(38 726 356)
<b>Balance at 30 June</b>	<b>2014</b>	<b>78 910</b>	<b>368 368 882</b>	<b>368 447 792</b>

Musina Local Municipality

for the year ended 30 June 2014

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

RECEIPTS	APPROVED BUDGET	ADJUSTMENT BUDGET [VIREMENT]	FINAL	ACTUAL	DIFFERENCE FINAL BUDGET AND ACTUAL	Percentage change**	REASON
Property rates	10 437 510	-	10 437 510	11 342 602	905 092	8%	Rapid development in Musina town with some residential properties rezoned to business and increased value of property as a result of such development
Service charges	97 544 661	-	97 544 661	84 276 915	-13 267 746	-16%	Decrease in anticipated revenue from electricity charges for peak periods
Investment revenue	150 000	-	150 000	953 545	803 545	84%	Increase in investments due to improved cashflow management
Transfers recognised - operational	37 933 000	-	37 933 000	37 933 000	-	0%	
Other own revenue	36 164 520	-	36 164 520	13 796 101	-22 368 419	-162%	Revenue from sale of stands in Extension 14 was budgeted for R27 million and the sale of those erven only started in August 2014
	<b>182 229 691</b>	<b>-</b>	<b>182 229 691</b>	<b>148 302 163</b>	<b>-33 927 528</b>		

PAYMENTS	APPROVED BUDGET	ADJUSTMENT BUDGET [VIREMENT]	FINAL	ACTUAL	DIFFERENCE FINAL BUDGET AND ACTUAL	Percentage variance	
Employee costs	75 652 127	-4 919 014	70 733 113	68 449 301	-2 283 813	-3%	Some funded positions on the organogram which were advertised in 2013/14 were not filled by the end of the financial year
Remuneration of councillors	3 450 902	277 926	3 728 828	3 727 669	-1 159	0%	
Debt impairment	500 000	-	500 000	3 519 029	3 019 029	86%	Increase in debtors balance resulting in high provision during the year
Depreciation & asset impairment	12 000 000	8 500 000	20 500 000	20 410 564	-89 436	0%	
Finance charges	1 935 589	-155 274	1 780 315	3 003 493	1 223 178	41%	Inaccurate projections for finance charged from the long term loan undertaken
Materials and bulk purchases	54 430 168	-936 527	53 493 641	56 600 688	3 107 047	5%	Less than 10% of the budget
Transfers and grants	8 340 000	-	8 340 000	6 504 975	-1 835 025	-28%	Low indigenous applications approved was the reason for the underexpenditure
General expenditure	29 924 905	18 232 889	48 157 794	41 065 295	-7 092 499	-17%	Less than 5% of the budget
<b>TOTAL BUDGET</b>	<b>186 233 691</b>	<b>21 000 000</b>	<b>207 233 691</b>	<b>203 281 014</b>	<b>-3 952 677</b>		

Reversal of impairment loss  
On fair value adjustment

<b>Surplus/(Deficit)</b>	<b>-4 004 000</b>	<b>-21 000 000</b>	<b>-25 004 000</b>	<b>-54 978 852</b>	<b>-29 974 852</b>
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\*Percentage movements of 10% or more are regarded as significant and are followed up.

The budget have been prepared on an accrual basis of accounting. The approved budget covers the physical period from 1 July 2013 to June 2014  
The changes between the final and approved budget was caused by consequences of reallocation within the budget.

**Musina Local Municipality**  
**CASH FLOW STATEMENT**  
as at 30 June 2014

	Note	2 014	2 013
		R	R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		190 090 865	202 802 967
Sales of goods and services		133 691 809	152 957 457
Grants		55 445 510	49 101 000
Interest received		953 545	744 510
Other receipts		-	-
Payments		180 751 245	182 769 552
Employee costs		81 573 708	52 822 529
Suppliers		96 909 393	128 049 953
Interest paid		2 268 144	1 897 070
Other payments		-	-
<b>Net cash flows from operating activities</b>		<b>9 339 619</b>	<b>20 033 416</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		-26 262 010	-11 001 319
<b>Net cash flows from investing activities</b>		<b>-26 262 010</b>	<b>-11 001 319</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Absa Loan		20 000 000	-
Repayment of borrowings		-4 123 367	-1 354 362
Repayment Absa loan		-6 020 415	-
Repayment of finance lease liability		-279 602	-551 682
<b>Net cash flows from financing activities</b>		<b>9 576 615</b>	<b>-1 906 044</b>
<b>Net increase / (decrease) in net cash and cash equivalent</b>		<b>-7 345 775</b>	<b>7 126 053</b>
<b>Net cash and cash equivalents at beginning of period</b>		<b>8 903 291</b>	<b>1 777 238</b>
<b>Net cash and cash equivalents at end of period</b>	37	<b>1 557 516</b>	<b>8 903 291</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**30 JUNE 2014**

**1 BASIS OF ACCOUNTING**

**1.1 BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

**1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

**1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

**1.4 COMPARATIVE INFORMATION**

Budget information in accordance with GRAP 1 and 24, has been provided as a note to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

No standards affecting the municipality were identified



## 2 PROPERTY, PLANT AND EQUIPMENT

### 2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### 2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment except for land, are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

### 2.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated at historical cost, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

#### Infrastructure

Infrastructure Assets	Years
Roads, pavement, double seals, road signs and Roadmarkings	40-15
Street names, signs and parking meters	5
Car parks, bus terminals and taxi ranks	20
Electricity - Mass lights	15
Electricity - Transformers	15
Electricity - Street lights	15
Housing	30
Street lighting	25
Refuse sites	30

Community Assets	
Parks and gardens	30
Sport fields	30
Community halls	30
Libraries	30
Recreation facilities	30
Clinics	30
Fire services	30
Cemeteries	30
Other Assets	
Motor vehicles	5
Plant and equipment	5
Security measures	3
Buildings	30
IT equipment	3
Office equipment	5

Land is not depreciated as it is regarded as having an infinite life.

The useful life of an item of property plant and equipment is reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge from the current and future periods gets adjusted. During the items property, plant and equipment useful life was assessed and increased by additional three(3) years.

#### Impairment

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified, except where the impairment reverses a previous revaluation.

Where the carrying amount of an item of property, plant and equipment is larger than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The testing for and impairing of any items of property, plant and equipment were accounted during the current year as the municipality must comply with GRAP 17 fully

#### Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

During the current year, the municipality has unbundled the infrastructure assets as required by GRAP 17

## 2.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



### **3 HERITAGE ASSETS**

#### **3.1 INITIAL RECOGNITION**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations

At initial recognition, the municipality measures its heritage assets at cost once it meets the definition of heritage assets. However, where heritage was acquired through a non-exchange transaction (i.e. where it acquired the heritage assets for no or a nominal value), its cost is its fair value as at the date of acquisition.

#### **3.2 SUBSEQUENT MEASUREMENT – REVALUATION MODEL**

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

#### **3.3 Derecognition**

When the heritage assets are permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognized.

### **4 INTANGIBLE ASSETS**

#### **4.1 INITIAL RECOGNITION**

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

After initial recognition, an intangible asset is carried at its cost less any accumulated impairment losses and amortisation. Amortisation is charged on a straight-line basis over their useful life which is estimated to be between 3 and 5 years. The useful life of an intangible asset is the period over which that asset is expected to be available for use of by the municipality. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The estimated useful life and amortisation methods are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are recognised at cost. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire the asset at the time of its acquisition or construction. Only cost incurred on computer software and websites that meet the definition of an intangible asset are recognised as permitted in terms of Derivative 4. All other cost incurred on intangible assets during the exemption period has been expensed.

#### **4.2 SUBSEQUENT MEASUREMENT - COST MODEL**

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

#### **4.3 AMORTISATION AND IMPAIRMENT**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

3-5

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

#### **4.4 DERECOGNITION**

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **5 INVESTMENT PROPERTY**

#### **5.1 INITIAL RECOGNITION**

Investment property includes property held to earn income, or capital appreciation rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

An asset is derecognised when it is disposed off or when no future economic benefits or service potential is expected. Any gain or loss is recognised in surplus or deficit.

#### **5.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.



### **5.3 DERECOGNITION**

When the investment property is permanently withdrawn from use and no future economic benefits or service potential is expected from its disposal. A disposal can be, for example, when an asset is: sold, donated, transferred, etc. The gain or loss is recognised in surplus or deficit when the asset is derecognised.

## **6 INVENTORIES**

### **6.1 INITIAL RECOGNITION**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### **6.2 SUBSEQUENT MEASUREMENT**

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Asset held for sale are measured at cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method

## **7 FINANCIAL INSTRUMENTS**

### **7.1 INITIAL RECOGNITION**

Financial assets and liabilities are recognised on the municipality's statement of financial position when the municipality becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value. All other financial instruments are initially measured at fair value plus transaction costs.

### **7.2 SUBSEQUENT MEASUREMENT**

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

### **7.2.1 INVESTMENTS**

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

### **7.2.2 TRADE AND OTHER RECEIVABLES**

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.



### **7.2.3 TRADE PAYABLES AND BORROWINGS**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

### **7.2.4 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

### **7.3 DERECOGNITION**

A financial asset or the specifically identified cash flows of an asset is derecognised when:

- a) The cash-flows from the asset expire, are settled or waived;
- b) Significant risks and rewards are transferred to another party; or
- c) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

### **7.4 GAINS AND LOSSES**

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

### **7.5 OFFSETTING**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **7.6 IMPAIRMENTS**

All financial assets measured at amortised cost, or cost are subject to an impairment review. The Economic Entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The Economic Entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it will include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date on which the impairment is reversed. The amount of the reversal shall be recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.



## **8 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **9 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **10 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **11 PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## 12 LEASES

### 12.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

## 13 REVENUE

### 13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on 3 month average usage

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in advance by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Interest revenue is recognised on a time proportion basis

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the group.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



### 13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.



## 14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

## 15 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund
- National fund for Municipal workers

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

### a) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

## 16 EMPLOYEE BENEFITS

Remuneration to employees is recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs.

The costs of all short-term employee benefits, such as leave pay, are recognised in the period the employee renders the related service.

### Leave pay accrual

The liability is based on the total amount of leave days due to the employees on the reporting date and on their total remuneration package.

### Provision for Performance Bonuses

A provision in respect of the liability relating to the anticipated costs of 13th cheque bonuses payable to all employees is maintained. Where performance appraisals have not yet been performed at year-end, a performance bonus provision is raised based on the employment contract stipulations and previous performance bonus payment trends.

### Long service awards

Employees, who have completed 10 years' unbroken service, are entitled to receive a once-off cash award. The cash award is included in the employee's salary in the month of the service anniversary.

## **17 IMPAIRMENT OF ASSETS**

### **17.1 IMPAIRMENT OF ASSETS - NON - CASH GENERATING ASSETS**

Those assets held by the Municipality without an intention of generating a commercial return from such asset. The Municipality assesses at each reporting date whether any indications exist that an asset may be impaired. When such an indication exists, the Municipality estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined by using either the depreciated replacement cost, restoration cost or service unit approach, depending on the availability of data and the nature of the impairment. If the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in carrying amount of an asset due to the reversal of impairment loss should not exceed what the asset's original carrying would have been if no impairment loss were recognised.

### **17.2 IMPAIRMENT OF ASSETS - CASH GENERATING ASSETS**

Those assets held by the Municipality for the purpose of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated Municipality, it generates a commercial return.

The Municipality assesses at each reporting date whether there is any indication that an asset or cash-generating unit to which an asset belongs to may be impaired. When such an indication exists, the Municipality estimates the recoverable amount of the asset. The recoverable amount is the higher of the cash-generating asset's fair value less costs to sell and its value in use. The value in use is determined as the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The future expected cash flows are discounted at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. If the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. An impairment loss is recognised immediately in surplus or deficit.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable amount of that asset and accounts for the reversal of impairment loss if necessary. The increase in the carrying amount of an asset due to the reversal of an impairment loss should not exceed what the carrying amount would have been if no impairment loss had been recognised.

## **18 COMMITMENTS**

The commitments disclosed in the disclosure note are the aggregate amount of capital and current expenditure approved and contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements.

## **19 RELATED PARTIES**

The Municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national/provincial/local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the Municipality.

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another Municipality or person are disclosed.



## **20 BUDGET INFORMATION**

Municipality is typically subjected to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar measures. General purpose financial reporting by municipalities must provide information on whether resources were obtained and used in accordance with the legally adopted budget. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements. Refer t appendix ???.

## **21 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of these financial statements in conformity with GRAP required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the musina's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements where applicable.

## **22 PROVISION FOR LANDFILL SITE**

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the net present value of cost. The cost factor as determined, have been applied and projected at an inflation rate of 11.50 %, and discounted to the present value at the average borrowing cost of 10%



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014 R	2 013 R
<b>1 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of the following:			
Cash on hand		1 557 516	8 903 291
Cash at bank			
Call deposits		<u>1 557 516</u>	<u>8 903 291</u>
The Municipality has the following bank accounts: -			
<b><u>Current Account (Primary Bank Account)</u></b>			
ABSA Bank Limited - Musina Branch: Account Number 2050550179			
Cash book balance at beginning of year		8 898 764	1 772 792
Cash book balance at end of year		<u>1 360 861</u>	<u>8 898 764</u>
Bank statement balance at beginning of year		8 904 324	1 781 276
Bank statement balance at end of year		<u>1 366 939</u>	<u>8 904 324</u>
<b><u>Current Account (Other Account)</u></b>			
ABSA Bank Limited - Musina Branch: Account Number 4074881456			
Cash book balance at beginning of year		4 527	4 446
Cash book balance at end of year		<u>196 655</u>	<u>4 527</u>
Bank statement balance at beginning of year		4 527	4 446
Bank statement balance at end of year		<u>196 655</u>	<u>4 527</u>
<b><u>Cash on hand</u></b>		<u>-</u>	<u>-</u>
Total cash and cash equivalents		<u>1 557 516</u>	<u>8 903 291</u>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	Note	2 014 R	2 013 R
	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
<b>2 TRADE AND OTHER RECEIVABLES</b>			
<b><u>Trade receivables as at 30 June 2014</u></b>			
<b>2.1 TRADE AND OTHER RECEIVABLES FROM NON EXCHANGE TRANSACTIONS</b>			
Assessment Rates	13 428 097	-12 835 932	592 166
<b>2.2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>			
Electricity	2 909 960	-2 679 724	230 237
Other	1 765 427	-1 473 677	291 750
Refuse	4 760 729	-4 343 775	416 955
<b>Total</b>	<b>9 436 117</b>	<b>-8 497 175</b>	<b>938 942</b>
<b>Total trade and other receivables</b>	<b>22 864 214.17</b>	<b>-21 333 107</b>	<b>1 531 107</b>
<b>as at 30 June 2013</b>			
Rates	11 201 594	-10 042 985	1 158 608
Electricity	2 420 687	-1 387 510	1 033 177
Other	2 057 544	-1 871 396	186 148
Refuse	4 127 990	-3 671 749	456 242
<b>Total</b>	<b>19 807 814.67</b>	<b>-16 973 640</b>	<b>2 834 175</b>
<b>2.3 Trade receivables - other</b>			
Property Rental		410 385	464 679
Consumer Deposit		550 060	826 248
Interest		625 445	640 397
Housing		-	42 898
Legal fees		64 308	62 633
Disconnection fee		115 230	20 689
<b>Other receivables</b>		<b>1 765 427</b>	<b>2 057 544</b>
<b>2.4 Rates: Ageing</b>			
Current (0 – 30 days)		737 689	498 871
31 - 60 Days		444 360	351 313
61 - 90 Days		339 531	333 148
91 - 120 Days		320 566	302 062
121 - 365 Days		11 585 952	9 716 199
+ 365 Days			
<b>Total</b>		<b>13 428 097</b>	<b>11 201 593</b>
<b>Electricity : Ageing</b>			
Current (0 – 30 days)		533 576	524 080
31 - 60 Days		299 545	356 802
61 - 90 Days		196 068	235 613
91 - 120 Days		187 081	134 421
121 - 365 Days		1 693 690	1 169 770
+ 365 Days			
<b>Total</b>		<b>2 909 960</b>	<b>2 420 686</b>
<b>Refuse : Ageing</b>			
Current (0 – 30 days)		366 559	271 056
31 - 60 Days		247 744	176 657
61 - 90 Days		220 778	154 123
91 - 120 Days		195 033	134 897
121 - 365 Days		3 730 616	3 391 257
+ 365 Days			
<b>Total</b>		<b>4 760 729</b>	<b>4 127 990</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

Note	2 014 R	2 013 R
<b>Other : Ageing</b>		
Current (0 – 30 days)	137 990	52 011
31 - 60 Days	10 843	332 268
61 - 90 Days	17 809	15 464
91 - 120 Days	7 790	13 919
121 - 365 Days	1 590 995	1 643 882
+ 365 Days		
<b>Total</b>	<b>1 765 427</b>	<b>2 057 544</b>

**2.5 Summary of Debtors by Customer Classification**

	Consumers R	Industrial / Commercial R	National and Provincial Government R
<b>as at 30 June 2014</b>			
Current (0 – 30 days)	1 401 826	499 516	168 044
31 - 60 Days	868 944	180 981	157 721
61 - 90 Days	632 259	112 548	141 297
91 - 120 Days	916 465	134 544	149 835
121 - 365 Days	2 357 969	390 236	517 838
+ 365 Days	8 907 027	4 372 530	954 634
Sub-total	<b>15 084 491</b>	<b>5 690 354</b>	<b>2 089 369</b>
Less: Provision for doubtful debts	-21 333 107		
<b>Total debtors by customer classification</b>	<b>-6 248 616</b>	<b>5 690 354</b>	<b>2 089 369</b>

**as at 30 June 2013**

Current (0 – 30 days)	2 939 406	1 242 621	175 074
31 - 60 Days	1 024 648	174 814	62 531
61 - 90 Days	970 502	137 521	57 170
91 - 120 Days	801 466	128 429	38 478
121 - 365 Days	7 863 273	3 947 132	244 752
+ 365 Days			
Sub-total	<b>13 599 294</b>	<b>5 630 517</b>	<b>578 004</b>
Less: Provision for doubtful debts	-16 973 640		
<b>Total debtors by customer classification</b>	<b>-3 374 346</b>	<b>5 630 517</b>	<b>578 004</b>

**2.6 Reconciliation of the doubtful debt provision**

Balance at beginning of the year	16 973 640	9 303 995
Contribution to provision	4 359 467	8 202 742
Doubtful debts written off against provision	-	-533 097
<b>Balance at end of year</b>	<b>21 333 107</b>	<b>16 973 640</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	Note	2 014 R	2 013 R
<b>3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>			
Sundry Debtors		64 940	64 940
RD Cheques		23 748	13 776
Unmetered Consumption		865 037	1 092 029
Cutt off revenue		4 536 852	2 860 819
Vhembe District		11 769 956	14 057 464
Transfer JT Maphaha		1 143	1 143
Traffic fines		1 840 842	549 308
Boabab Petroleum		20 801	20 801
New market place		-	211 466
Times media		-	67 529
Maravha building		104 210	104 210
Thusong centre		-	116 074
Debtors debit cards		12 684	
Luonde Construction		47 410	-
<b>Total Other Debtors**</b>		<b>19 287 623</b>	<b>19 159 558</b>
Assessment Rates		<b>592 166</b>	<b>1 158 608</b>
<b>Total trade on other receivables from non exchange transaction</b>		<b>19 879 789</b>	<b>20 318 167</b>

\*\*Other receivables have been assessed for impairment at year end



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	Note	2 014 R	2 013 R
<b>4 INVENTORIES</b>			
<b>Opening balance of inventories:</b>		<b>41 889 316</b>	<b>82 172 056</b>
Consumable stores		1 559 316	1 523 236
Maintenance materials - at cost		-	-
Spare parts – at net realisable value		-	-
Stands held for resale		40 330 000	80 660 000
Water		-	-
<b>Additions:</b>		<b>17 525 321</b>	<b>3 524 905</b>
Consumable stores		3 415 321	3 524 905
Maintenance materials		-	-
Spare parts		-	-
Other goods held for resale		14 110 000	-
<b>Issued (expensed):</b>		<b>-2 889 970</b>	<b>-3 488 825</b>
Consumable stores		-2 889 970	-3 488 825
Maintenance materials		-	-
Spare parts		-	-
Other goods held for resale		-	-
<b>Closing balance of inventories:</b>		<b>56 524 666.77</b>	<b>41 889 316</b>
Consumable stores		2 084 667	1 559 316
Maintenance materials		-	-
Spare parts		-	-
Stands held for resale		54 440 000	40 330 000
<b>5 INVESTMENTS</b>			
Deposits		10 348 797	8 278 911
		-	-
		<b>10 348 797</b>	<b>8 278 911</b>

A repayment of asset amounting to R10 654 000 has been pledged with ABSA Bank as security for Eskom guarantee

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**6 PROPERTY, PLANT AND EQUIPMENT**

**6.1 Reconciliation of Carrying Value**

	Land	Buildings	Infrastructure	Community	Other Assets**	Finance lease assets	Total
	R	R	R	R	R	R	R
<b>as at 1 July 2013</b>	<b>28 707 202</b>	<b>35 297 744</b>	<b>133 406 602</b>	<b>25 303 401</b>	<b>5 808 284</b>	<b>3 799 097</b>	<b>232 322 330</b>
Cost/Revaluation	35 090 602	41 342 285	243 380 345	26 377 535	9 814 717	8 684 698	364 690 181
Correction of error (note 37)	(6 383 400)		133 007		2 549 832		-3 700 561.45
Accumulated depreciation and impairment losses	-	(6 044 542)	(110 106 749)	(1 074 134)	(6 556 264)	(4 885 600)	-128 667 289
Acquisitions	-	6 426 959	5 136 335	8 629 262	4 565 290	100 743	24 858 588.93
Capital under Construction	-	2 456 289	7 894 811	-	-	-	10 351 100.00
Depreciation	-	(1 456 046)	(15 334 489)	(879 757)	(2 192 454)	(429 519)	-20 292 265
Carrying value of disposals	-	-	-	-	(76 113)	-	-76 113
Cost/Revaluation	-	-	-	-	(4 466 887)	-	-4 466 887
Accumulated depreciation and impairment losses	-	-	-	-	4 390 773	-	4 390 773
Impairment loss/Reversal of impairment loss	-	-	(6 396 198)	-	-	-	-6 396 198.00
Transfers	-	-	-	-	6 645 479	(6 645 479)	-
Other movements*	-	-	-	-	(4 568 147)	4 568 147	-
<b>as at 30 June 2014</b>	<b>28 707 202</b>	<b>42 724 946</b>	<b>124 707 061</b>	<b>33 052 906</b>	<b>8 105 119</b>	<b>3 470 321</b>	<b>240 767 556</b>
Cost/Revaluation	28 707 202	50 225 534	256 411 490	35 006 797	9 913 122	8 785 440	389 049 585
Accumulated depreciation and impairment losses	-	(7 500 587)	(131 704 429)	(1 953 891)	(1 808 002)	(5 315 120)	-148 282 029

\*Other movements consist of Leased assets which were fully paid off during the current financial year and were transferred to Other assets

\*\* Other Assets consists of Equipment, Furniture, and Vehicles. Details of the sub-categories is indicated in Appendix B

A useful life reassessment was performed at year end, refer to note 38

Refer to Appendix B for more detail on property, plant and equipment

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2013

	Land	Buildings	Infrastructure	Community	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R
<b>as at 1 July 2012</b>	<b>35 090 602</b>	<b>32 621 596</b>	<b>195 674 587</b>	<b>22 126 433</b>	<b>4 464 734</b>	<b>2 136 246</b>	<b>292 114 198</b>
Cost/Revaluation	35 090 602	37 415 961	243 254 869	22 681 232	9 957 161	6 016 425	354 416 251
Correction of error (note 37)	-	(4 794 365)	(47 580 283)	(554 799)	(5 492 427)	(3 880 179)	-62 302 053
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-
Acquisitions	-	1 723 270	125 475	-	224 271	2 668 273	4 741 289
Capital under Construction	-	2 203 054	-	3 696 303	-	-	5 899 357
Depreciation	-	(1 250 177)	(15 117 498)	(519 335)	(1 314 221)	(1 005 421)	-19 206 652
Carrying value of disposals	-	-	-	-	(94 138)	-	-94 138
Cost/Revaluation	-	-	-	-	(366 716)	-	-366 716
Accumulated depreciation and impairment losses	-	-	-	-	272 579	-	272 579
Impairment loss/Reversal of impairment loss	-	-	(47 408 968)	-	-	-	-47 408 968
Transfers	-	-	-	-	-	-	-
*Other movements	-	-	-	-	-	-	-
<b>as at 30 June 2013</b>	<b>28 707 202</b>	<b>35 297 744</b>	<b>133 406 602</b>	<b>25 303 401</b>	<b>5 808 284</b>	<b>3 799 097</b>	<b>232 322 330</b>
Cost/Revaluation	28 707 202	41 342 285	243 380 345	26 377 535	9 814 717	8 684 698	358 306 781
Accumulated depreciation and impairment losses	-	(6 044 542)	(109 973 742)	(1 074 134)	(4 006 433)	(4 885 600)	-125 984 451

\*Other movements consist of Leased assets which were fully paid off during the current financial year and were transferred to Other assets

\*\* Other Assets consists of Equipment, Furniture, and Vehicles. Details of the sub-categories is indicated in Appendix B

Refer to Appendix B for more detail on property, plant and equipment



**Musina Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENTS**  
for the year ended 30 June 2014

**7 INTANGIBLE ASSETS**

**7.1 Reconciliation of carrying value**

	Computer Software	Total
<b>as at 1 July 2013</b>	288 801	288 801
Cost	435 590	435 590
Accumulated amortisation and impairment losses	-146 789	(146 789)
Acquisitions	22 846	22 846
Amortisation	-118 299	(118 299)
Carrying value of disposals	-	-
Cost	-	-
Accumulated amortisation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers	-	-
Other movements	-	-
<b>as at 30 June 2014</b>	193 349	193 349
Cost	458 436	458 436
Accumulated amortisation and impairment losses	-265 087	(265 087)

**7.1 Reconciliation of carrying value**

	Computer Software R	Total R
<b>as at 1 July 2012</b>	51 933	51 933
Cost	157 561	157 561
Accumulated amortisation and impairment losses	-105 628	(105 628)
Acquisitions	278 029	278 029
Amortisation	-41 161	(41 161)
Carrying value of disposals	-	-
Cost	-	-
Accumulated amortisation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers	-	-
Other movements	-	-
<b>as at 30 June 2013</b>	288 801	288 801
Cost	435 590	435 590
Accumulated amortisation and impairment losses	-146 789	(146 789)

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

**8 INVESTMENT PROPERTY CARRIED AT FAIR VALUE**

**8.1 Reconciliation of fair value**

	Investment property R	Total R
<b>as at 1 July 2013</b>	<b>195 429 820</b>	<b>195 429 820</b>
Cost	132 830 000	132 830 000
Correction of error	62 599 820	62 599 820
Change in accounting policy (note 47)	-	-
Accumulated depreciation and impairment losses	-	-
Acquisitions	-	-
Fair value adjustment	10 665 000	10 665 000
Carrying value of disposals	-14 110 000	(14 110 000)
Fair value adjustment	-14 110 000	(14 110 000)
Accumulated depreciation	-	-
Impairment loss/Reversal of impairment loss	-	-
Other movements-Prior Period error See note 37	-	-
Other movements	-	-
<b>as at 30 June 2014</b>	<b>191 984 820</b>	<b>191 984 820</b>
Accumulated depreciation and impairment losses	-	-

**8.1 Reconciliation of fair value**

	Investment property R	Total R
<b>as at 1 July 2012</b>	<b>138 554 065</b>	<b>138 554 065</b>
Cost	138 554 065	138 554 065
Correction of error (note 48)	-	-
Change in accounting policy (note 47)	-	-
Accumulated depreciation and impairment losses	-	-
Acquisitions	44 119 820	44 119 820
Depreciation	-	-
Carrying value of disposals	-5 724 065	(5 724 065)
Fair value adjustment	-5 724 065	(5 724 065)
Accumulated depreciation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers	-	-
Other movements-Prior Period error See note 39	18 480 000	18 480 000
<b>as at 30 June 2013</b>	<b>195 429 820</b>	<b>195 429 820</b>
Cost	195 429 820	195 429 820
Accumulated depreciation and impairment losses	-	-

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

Investment property includes property held to earn income, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

An asset is derecognised when it is disposed off or when no future economic benefits or service potential is expected. Any gain or loss is recognised in surplus or deficit.

Investment property was valued by the firm Eli Stroh Pty Ltd on 8 August 2014

**9 HERITAGE ASSETS CARRIED AT REVALUATION MODEL**

**Reconciliation of fair value**

	<b>Heritage assets R</b>	<b>Total R</b>
<b>as at 1 July 2013</b>	<b>78 910</b>	<b>78 910</b>
Cost	78 910	78 910
Accumulated depreciation and impairment losses	-	-
Additions	-	-
Depreciation	-	-
Carrying value of disposals	-	-
Fair value adjustment	-	-
Accumulated depreciation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers	-	-
Other movements	-	-
<b>as at 30 June 2014</b>	<b>78 910</b>	<b>78 910</b>
Cost	78 910	78 910
Accumulated depreciation and impairment losses	-	-

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

All heritage asset were acquired through a non-exchange transaction, as a result the heritage assets costs were measured at its fair value. The heritage assets were fair valued at year end by an independent Valuer -Eli Stroh Pty Ltd, using methods and assumptions consistent with Grap 103.

No indications of changes in market conditions and fair values of heritage assets were identified by the independent valuesr during the current financial year

Heritage assets were valued by the firm Eli Stroh Pty Ltd on 8 August 2014



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

Note	2 014	2 013
	R	R
<b>10 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade creditors	1 058 995	740 917
Payments received in advance	2 928 511	2 197 978
Retentions	2 376 360	798 005
Creditors - provisions	28 382 125	13 047 955
Income not receipted	56 787	7 956
Poster and Hall	68 965	53 769
Vhembe District Billing	18 220 763	12 427 875
Insurance claim - Chisanga	-	32 619
Cemetery Upgrade	2 481 568	2 481 568
Bank Credit facility	85 044	124 359
Advance payment pre-paid	360 514	299 848
Solly Noor	4 220 494	4 292 477
Provision for leave	9 882 192	5 235 177
<b>Total creditors</b>	<b>70 122 318</b>	<b>41 740 504</b>

The fair value of trade and other payables approximates their carrying amounts.

**11 CONSUMER DEPOSITS**

Electricity/Refuse	4 196 517	4 254 834
<b>Total consumer deposits</b>	<b>4 196 517</b>	<b>4 254 834</b>

<b>Guarantees held in lieu of Electricity</b>	<b>1 456 245</b>	<b>913 338</b>
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**12 VAT RECEIVABLE**

VAT receivable	2 165 687	2 526 412
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VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

**13 TRANSFERS PAYABLE (NON-EXCHANGE)- DEPARTMENT TRANSPORT**

Taxes and transfers payable [Department Transport]	23 521 509	20 419 821
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**14 OTHER EMPLOYEE BENEFITS**

Annual Bonus	4 041 372	1 704 117
Provision for long-service awards	3 284 521	3 228 038
	<b>7 325 893</b>	<b>4 932 155</b>

**LONG SERVICE AWARDS**

Long service award projections/provisions is an actuarial assumption. This is the total value of the long service awards that were expected to be awarded to eligible employees over the year based on the data at the previous valuation date.

The movement in the non-current provision is reconciled as follows: -

Provision for rehabilitation of landfill sites:

<b>Balance at the beginning of year</b>	3 694 047	2 338 162
Contributions to provision	1 030 790	1 355 885
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
<b>Balance at the end of year</b>	<b>4 724 837</b>	<b>3 694 047</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

Note	2 014	2 013
R	R	R
Provision for long-service awards:		
<b>Balance at the beginning of year</b>	3 228 128	2 306 808
Contributions to provision	56 483	921 320
Expenditure incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
<b>Balance at the end of year</b>	<b>3 284 611</b>	<b>3 228 128</b>

*Reconciling and projecting the unfunded accrued liability*

**Unfunded Accrued Liability**

Opening balance	3 228 038	2 306 808
Current-service cost	352 462	358 048
Interest cost	224 766	143 469
Expected return on plan assets		
<b>Actuarial (Gain)/Loss</b>	<b>347 062</b>	<b>653 910</b>
Past-service cost		
Effect of curtailment/settlement		
<b>Expected employer benefit vesting</b>	<b>-328 312</b>	<b>-234 197</b>
Employer prefunding contributions		
<b>Closing Balance</b>	<b>3 824 016</b>	<b>3 228 038</b>
<b>Projected accrued liability</b>	<b>3 476 954</b>	<b>2 574 128</b>

*Net liability to reflect in the balance sheet*

Opening balance	3 228 038	2 306 808
Current-service cost	352 462	358 048
Interest cost	224 766	143 469
Expected return on plan assets		
Transitional liability recognised	-	
Actuarial (Gain)/loss recognised in P&L	-192 433	653 910
Past-service cost recognised		
Effect of curtailment/settlement		
<b>Net Prelioc Cost Recognised in P&amp;L</b>	<b>384 795</b>	<b>1 155 427</b>
Actual employer benefits payments	-328 312	-234 197
Transitional liability recognised		
Employer prefunding contributions		
Transitional liability recognised outside P&L		
Actuarial (Gain)/loss recognised outside P&L		
<b>Closing Balance</b>	<b>3 284 521</b>	<b>3 228 038</b>

**15 UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

**15.1 Unspent Conditional Grants from other spheres of Government**  
MIG Grants

**Total Unspent Conditional Grants and Receipts**

**Non-current unspent conditional grants and receipts**

**Current portion of unspent conditional grants and receipts**

See Note 24.2 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

**16 BORROWINGS**

DBSA borrowings	32 547 740	16 671 107
ABSA borrowings	15 192 257	16 671 107
	17 355 483	
Less : Current portion transferred to current liabilities	-6 124 976	-1 478 850
DBSA borrowings	-1 640 299	-1 478 850
ABSA borrowings	-4 484 677	-
<b>Total borrowings</b>	<b>26 422 764</b>	<b>15 192 257</b>

Refer to Appendix A for more detail on borrowings.

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>17 FINANCE LEASE LIABILITY</b>			
<b>2014</b>			
	Minimum lease payment R	Future finance charges R	Present value of minimum lease payments R
<b>Amounts payable under finance leases</b>			
Within one year	372 001	123 522	495 523
Within two to five years	948 416	148 228	1 096 643
	<u>1 320 417</u>	<u>271 749</u>	<u>1 863 294</u>
Less: Amount due for settlement within 12 months (current portion)			-334 449
			<u><u>1 528 844</u></u>

The entity entered into a finance lease with ABSA for the finance of a vehicle purchased, over a 5 year lease term. The average effective borrowing rate on the vehicle finance is 8% per annum and interest is charged at the beginning of each month. The vehicle finance lease agreement does not provide for contingent lease payments. There were no defaults or breaches and the no terms and conditions were renegotiated during the reporting period.

The entity has a lease has a lease agreement for for computers, the average lease term is 3 years and an effective average borrowing rate of 13,5%, which is fixed at contract date. No contingent rent agreement was entered into during on the lease agreement, and there where no breaches or default during the year.

Obligations under finance leases are secured by the lessor retaining ownership of the leased assets over the lease term.

<b>2013</b>	Minimum lease payment R	Future finance charges R	Present value of minimum lease payments R
<b>Amounts payable under finance leases</b>			
Within one year	923 978	-219 896	704 082
Within two to five years	1 669 404	-196 337	1 473 067
	<u>2 593 382</u>	<u>-416 233</u>	<u>2 177 149</u>
Less: Amount due for settlement within 12 months (current portion)			-746 631
			<u><u>1 473 072</u></u>

The average lease term is 5 years and the average effective borrowing rate is 8.50%. Interest rates are fixed at the contract date. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

**18 NON-CURRENT PROVISIONS**

Provision for rehabilitation of landfill sites	4 724 837	3 694 047
<b>Total Non-Current Provisions</b>	<u><u>4 724 837</u></u>	<u><u>3 694 047</u></u>

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, discounted at 11.5% over an average period of 8 years.

**19 PROPERTY RATES**

<b>Actual</b>		
Residential	3 377 039	3 634 032
Commercial	2 813 910	2 495 991
Light Industries	846 002	613 971
Farms	2 988 130	3 920 487
Public Infrastructure	49 061	
Government	886 509	
Residential contravening	189 957	
Private schools	116	
Special	52 978	
Residential /Sectional	31 033	
Residential vacant	107 866	
<b>Total property rates</b>	<u><u>11 342 602</u></u>	<u><u>10 664 480</u></u>
Property rates - penalties imposed and collection charges	-	-
<b>Total</b>	<u><u>11 342 602</u></u>	<u><u>10 664 480</u></u>



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>Valuations</b>			
Farm Prop - Agricultural		3 156 731 598	3 168 534 928
Residential 1		98 102 600	21 948 000
Business 1		16 395 000	8 365 000
Industrial 1		137 546 000	134 764 860
Industrial 2		1 443 000	1 443 000
Municipal Properties		284 808 340	270 302 365
Private Sport/Social Clubs		5 280 000	11 820 000
Institutional		1 260 000	110 000
Industrial Properties		112 111 000	107 941 000
Right of way		9 000	9 000
Residential Properties		1 329 568 640	1 337 994 215
Commercial		8 470 000	16 270 000
Farm Prop - Business & Commerce		145 961 000	145 961 000
Farm Prop - Other		184 500 000	178 500 000
Farm Prop - Residential		6 140 000	6 140 000
Business And Commercial		822 684 562	806 594 562
State Owned - Agricultural		293 701 000	293 701 000
State Owned - Commercial		114 467 000	113 747 000
State Owned - Public Benefit		39 220 000	39 220 000
State Owned - Residential		175 239 000	185 659 000
State Owned - Schools		10 250 000	10 250 000
Land Assistance Act		77 130 000	77 130 000
Municipal - Commercial/Buss		16 020 000	1 680 000
National Monuments		2 000	2 000
Part Remainder		2 550 000	
Public Benefit		51 860 000	58 680 000
Public Service Infrastructure		80 535 100	80 536 100
Private Schools		2 660 000	2 660 000
Residential - Inconsistant Use		52 268 000	56 113 000
Residential - Sectional Title		38 933 000	38 933 000
Residential Vacant		42 193 785	39 053 785
Eskom Servitude		2 698 000	2 698 000
National Roads		31 000 000	
Special		15 450 000	15 450 000
<b>Total Property Valuations</b>		<b>7 357 187 625</b>	<b>7 232 210 815</b>

Valuations on land and buildings are performed every four years. The last valuation was done by Eli Stroh Pty Ltd and come into effect on 1 July 2012. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

Rates are levied on an annual basis on state and De Beers property owners, and other rates are levied monthly. Interest at prime + 1% per annum are levied on outstanding rates.

**20 SERVICE CHARGES**

Sale of electricity	73 388 146	74 747 695
Refuse removal	10 888 769	7 681 448
<b>Total Service Charges</b>	<b>84 276 915</b>	<b>82 429 143</b>

**21 RENTAL OF FACILITIES AND EQUIPMENT**

Rental of facilities	373 314	266 258
<b>Total rentals</b>	<b>373 314</b>	<b>266 258</b>

**22 INTEREST EARNED - EXTERNAL INVESTMENTS**

Bank	122 964	109 333
External investments	830 582	633 095
Other	-	2 083
<b>Total interest</b>	<b>953 545</b>	<b>744 510</b>

**23 INTEREST EARNED - OUTSTANDING RECEIVABLES**

Debtors	1 319 725	1 319 725
<b>Total interest</b>	<b>1 731 329</b>	<b>1 319 725</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

Note	2 014	2 013
	R	R
<b>24 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	34 393 000	31 447 000
MIG Grant	16 844 000	10 437 639
Unspent Mig Roll over	668 510	
FMG	1 650 000	1 250 000
MSIG	890 000	800 000
EPWP	1 000 000	1 000 000
<b>Total Government Grant and Subsidies</b>	<b>55 445 510</b>	<b>44 934 639</b>
<b>24.1 Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy that was approved by council (Tariff List).		
<b>24.2 MIG Grant</b>		
<b>Balance unspent at beginning of year</b>	4 258 230	113 827
Current year receipts	16 844 000	14 604 000
Conditions met - transferred to revenue	-17 512 510	-10 459 597
<b>Conditions still to be met - remain liabilities (see note 15.1)</b>	<b>3 589 720</b>	<b>4 258 230</b>
This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.		
<b>24.3 Government Grants and Subsidies</b>		
<b>Balance unspent at beginning of year</b>		
Current year receipts	34 393 000	34 497 000
Conditions met - transferred to revenue	-34 393 000	-34 497 000
<b>Conditions still to be met - remain liabilities (see note 15.1)</b>	<b>-</b>	<b>-</b>
This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.		
<b>25 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS</b>		
<b>25.1 Other income</b>		
Sundry Income	909 804	130 093
Tenders General	77 304	74 719
Commission Old Mutu	4 456	6 805
Membership fees - Library	3 429	5 716
Permits - Clearanc	32 317	18 804
Grave Fees & Stone	96 547	94 120
Donations	2 076 389	
Building Plans	317 784	128 303
Sale of Stands	3 336 050	10 912 976
<b>Total Other Income</b>	<b>6 854 081</b>	<b>11 371 535</b>
<b>26 EMPLOYEE RELATED COSTS</b>		
Employee related costs - Salaries and Wages	39 861 379	23 865 176
Employee related costs - Contributions for UIF, pensions and medical aids	10 617 322	7 148 070
Travel, motor car, accommodation, subsistence and other allowances	3 965 301	1 771 686
Housing benefits and allowances	1 163 138	1 199 792
Overtime payments	8 748 637	6 448 452
Performance and other bonuses	3 276 892	1 906 518
Long-service awards	403 604	1 219 945
Other employee related costs	413 028	50 662
Provision for leave	5 306 048	1 835 950
Provision Pension benefit	1 753 436	1 052 813
Annual Bonus - Prov	2 337 255	644 307
<b>Total Employee Related Costs</b>	<b>77 846 039</b>	<b>47 143 371</b>
There were no advances to employees		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	836 136	373 292
Performance- and other bonuses	89 678	42 500
Travel, motor car, accommodation, subsistence and other allowances	240 000	-

Musina Local Municipality  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

	Note	2 014	2 013
		R	R
Contributions to UIF, Medical and Pension Funds		-	-
<b>Total</b>		<b>1 165 814</b>	<b>415 792</b>



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

Note	2 014	2 013
	R	R
<b>Remuneration of the Chief Finance Officer</b>		
Annual Remuneration	673 663	527 250
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	300 000	150 000
Acting	80 938	-
Contributions to UIF, Medical and Pension Funds	-	-
<b>Total</b>	<b>1 054 600</b>	<b>677 250</b>

Remuneration of Individual Executive Directors	Technical Services R	Corporate Services R	Community Services R
<b>2014</b>			
Annual Remuneration	750 543	-	236 181
Performance- and other bonuses	123 878	-	66 545
Travel, motor car, accommodation, subsistence and other allowances	51 666	-	30 000
Acting	-	171 939	-
Contributions to UIF, Medical and Pension Funds	-	-	-
<b>Total</b>	<b>926 087</b>	<b>171 939</b>	<b>332 726</b>

Economic Development & Planning	Technical Services R	Corporate Services R	Community Services R
<b>2014</b>			
Annual Remuneration	696 543	-	-
Performance- and other bonuses	66 545	-	-
Travel, motor car, accommodation, subsistence and other allowances	102 000	-	-
Contributions to UIF, Medical and Pension Funds	-	-	-
<b>Total</b>	<b>865 088</b>	<b>-</b>	<b>-</b>

Economic Development & Planning	Technical Services R	Corporate Services R	Community Services R
<b>2013</b>			
Annual Remuneration	544 984	-	499 484
Performance- and other bonuses	52 000	343 906	97 500
Travel, motor car, accommodation, subsistence and other allowances	-	-	-
Contributions to UIF, Medical and Pension Funds	-	-	-
<b>Total</b>	<b>596 984</b>	<b>343 906</b>	<b>596 984</b>

Economic Development & Planning	Technical Services R	Corporate Services R	Community Services R
<b>2013</b>			
Annual Remuneration	381 946	-	-
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	76 500	-	-
Contributions to UIF, Medical and Pension Funds	70 632	-	-
<b>Total</b>	<b>529 078</b>	<b>-</b>	<b>-</b>

**27 REMUNERATION OF COUNCILLORS**

Executive Mayor	698 687	665 415
Chief Whip	529 238	504 034
Councillors	1 569 159	1 462 990
Councillors' pension and medical aid contributions	203 671	432 902
Councillors' allowances	726 914	607 646
<b>Total Councillors' Remuneration</b>	<b>3 727 669</b>	<b>3 672 987</b>

The Mayor and Chief Whip are full time. Each is provided with an office and secretarial support at the cost of Council. The Mayor has use of a Council owned vehicle and driver for official duties. Disclosure in terms of the MFMA, 2003, Section 124(1)(a)

**28 DEPRECIATION AND AMORTISATION EXPENSE**

Property, plant and equipment	20 292 265	18 956 269
Intangible assets	118 299	41 161
Investment property carried at cost	-	-
Biological assets carried at cost	-	-
<b>Total Depreciation and Amortisation</b>	<b>20 410 564</b>	<b>18 997 429</b>

**29 REPAIRS AND MAINTENANCE**

Repairs and maintenance	12 389 018	8 384 530
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**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

Note	2 014	2 013
	R	R
During the year the Municipality made major repairs on existing roads and electrical distribution networks . The project was initially budget as capital project. The cost incurred is now treated as expense because it does not meet the criteria of capitalisation.	<u>12 389 018</u>	<u>8 384 530</u>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014 R	2 013 R
<b>30 FINANCE COSTS</b>			
Borrowings (External loan cost)		3 003 493	1 939 619
		-	-
<b>Total Finance Costs</b>		<b>3 003 493</b>	<b>1 939 619</b>
<b>31 BULK PURCHASES</b>			
Electricity		44 211 670	34 685 065
		-	-
<b>Total Bulk Purchases</b>		<b>44 211 670</b>	<b>34 685 065</b>
Electricity losses		2.03%	2.65%
<b>32 CONTRACTED SERVICES</b>			
Contracted services for: Security		5 431 606	4 106 102
		<b>5 431 606</b>	<b>4 904 217</b>
<b>33 GRANTS AND SUBSIDIES PAID</b>			
Equitable Share [indigents]		2 964 975	2 672 542
		<b>2 964 975</b>	<b>2 672 542</b>
<i>Disclosure in terms of the MFMA, 2003 Section 123(1)(b)</i>			
<b>34 GENERAL EXPENSES</b>			
Included in general expenses are the following:-			
Advertising		393 396	246 438
Audit fees		2 281 226	1 529 513
Bank charges		383 109	311 758
Bursaries		43 809	109 876
Conferences and delegations		67 860	-
Consulting fees		4 681 222	2 915 811
Consumables		459 288	311 115
Entertainment		255 066	1 112 605
Fuel and oil		947 931	780 501
Insurance		936 153	652 308
Legal expenses		814 004	358 314
Licence fees - vehicles		13 378	68 902
Licence fees - computers		718 555	284 965
Membership fees		1 479 789	443 763
Postage		219 481	186 172
Printing and stationery		1 030 975	943 997
Rental of buildings		50 731	42 056
Operating lease		55 987	186 561
Skills development levies		622 549	420 460
Telephone cost		2 557 386	2 603 612
Training		1 359 466	1 465 166
Travel and subsistence		5 584 575	4 291 099
Uniforms & overalls		68 883	288 471
Valuation costs		167 502	557 522
Community liason		811 129	204 570
Musina Annual Show		1 148 499	-
Mayor excellence awards		247 400	343 058
minor assets		60 871	-
Paupers Burial		35 290	55 452
Public Relations		534 814	-
Non Capital Goods		-	224
Interest late payment		116 053	116 194
Medical Examination		56 087	57 507
Township Establishment		504 133	3 719 433
Free electricity -		-	132 419
LED Fund		70 340	203 684
IDP Workshops		67 050	44 796
Transaction Fees		528 123	603 108
Enviromental		1 030 790	1 355 885
		<b>30 402 899</b>	<b>26 947 315</b>



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>35 IMPAIRMENT LOSS / (REVERSAL OF IMPAIRMENT LOSS)</b>			
Property, plant and equipment		6 396 198	47 408 968
During the year an impairment test, was performed on all categories of Property, Plant and Equipment. The method which was used to determine the recoverable amount was the higher of fair value less costs and value in use. The impairment existed in the category of roads infrastructure			
<b>Total Impairment loss / (Reversal of Impairment Loss)</b>			
<b>Fair value less cost to sell and value in use</b>			
Because the unbundling of the infrastructure assets was done recently, the value in use and the fair value was deemed to be the same, other than the fact that it can differ if the infrastructure has significant damages. As such the recoverable amount being			
The engineer estimated the costs of damages of each class of infrastructure assets based on quoted prices available in the market to restore the infrastructure and the professional knowledge based on the industry norms			
<b>Total Impairment loss / (Reversal of Impairment Loss)</b>		<u>6 396 198</u>	<u>47 408 968</u>
<b>Value in use</b>			
<b>36 PROFIT / (LOSS) ON FAIR VALUE ADJUSTMENT</b>			
Investment property carried at fair value		-10 588 886	5 724 065
Biological assets carried at fair value		-	-
Other financial assets		-	-
Other financial liabilities		-	-
<b>Total Profit / (Loss) on Fair Value Adjustment</b>		<u>-10 588 886</u>	<u>5 724 065</u>
<b>37 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Bank balances and cash		1 557 516	8 903 291
Bank overdrafts		-	-
<b>Net cash and cash equivalents (net of bank overdrafts)</b>		<u>1 557 516</u>	<u>8 903 291</u>
<b>38 PROPERTY, PLANT AND EQUIPMENT</b>			
GRAP 17 Paragraph 61 state that the residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.			
<b>Reassessment</b>			
Vehicles		1 098 507	4 347 451
Plant & equipment		371 470	2 368 298
Office equipment		423 670	2 900 147
Bins and Containers		22 195	1 463 220
Furniture and Fittings		580 705	1 771 132
Truvello Radar		1 248	2 342
Computer Equipment		52 037	-
Infrastructure		133 007	1 555 767
		<u>2 682 839</u>	<u>14 408 357</u>
<b>R1 Valued Items</b>			
Vehicles		-	-
Plant & equipment		-	6 072
Office equipment		-	242 759
Bins and Containers		-	208 790
Furniture and Fittings		-	479 113
Truvello Radar		-	-
Infrastructure		-	-
Total Cost		-	-
Net impact to the Accumulated surplus		2 682 839	-
<b>Total</b>		<u>2 682 839</u>	<u>14 408 357</u>

**Musina Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>39 CORRECTION OF ERROR</b>			
<b>39.1 Reclassification of inventories</b>			
Un developed land that was previously included in inventories was reclassified to Investment property			
<b>Reclassification of PPE</b>			
Developed land that was classified as Property, plant and equipment has been reclassified to inventories as the land is ready for sale			
The comparative amounts have been restated as follows:			
During the year, it was discovered that inventory (Stands held for sale), have been transferred to occupants in prior years			
The 2013 comparative figures have been restated as follow:			
Decrease in Accumulated surplus			1700000
Decrease in Inventories			-1700000
Net effect on statement of financial position			-
During the year it was noted that undeveloped land to the value of 43 248 820 was classified as stands held for sale (inventory), the land has been reclassified to investment property			
The 2013 comparative figures have been restated as follows			
Decrease in Inventories		-43 248 820.00	
Increase in Investment property		43 248 820.00	
Net effect on statement of financial position			-
During the year it was discovered that investment property belonging to the Municipality was not included in the the register at the end of 2013 financial year			
Decreasing accumulated surplus			-18 480 000.00
Increase in Investment property			18 480 000.00
Net effect on accumulated surplus			-18 480 000.00
During the year, it was noted that Land to the value of 5 501 000 was classified as property, plant and equipment. The developed land has been reclassified to inventories and undeveloped land has been reclassified to investment property.			
The 2013 comparative figures have been restated as follows			
Decrease in Land (PPE)		-5 501 000.00	
Increase in Investment property		871 000.00	
Increase in Inventories		4 630 000.00	
Net effect on statement of financial position			-
During the year, it was noted that land to the value of 882 400,classified as property, plant and equipment could not be traced to the municipality's records			
The 2013 comparative figures have been restated as follows:			
Decrease in Land (PPE)			-882 400.00
Decrease in Accumulated surplus			882 400.00
			-
During the year an assesment of usefull lifes on Assets was performed by the Municipality,This resulted in an amount of R2682839 in accumulated depreciation			
39.2 reversed.			
The 2013 Comparative figures will be affected as follows			
Decrease in Accumulated depreciation			-2 682 839.00
Increase in accumulated surplus			2 682 839.00
Net effect			-

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Note	2 014	2 013
R	R	R
During the year it was discovered that creditors were understated by an amount of 449 514. This relates to payment made in the current year for invoices or services in the previous years.		
<b>39.3</b> The 2013 Comparative figures will be affected as follows		
Increase in creditors		-449 514
Net effect in the statement of financial position		<u>-449 514</u>
Adjustment against Accumulated surplus at the end of 2013 year		<u>-449 514</u>
Other		
<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>		
<b>40 DISALLOWED</b>		
<b>40.1 Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure		
Opening balance	32 079 700	3 052 961
Unauthorised expenditure current year	-	32 079 700
Approved by Council or condoned	-	-3 052 961
Transfer to receivables for recovery		
Unauthorised expenditure awaiting authorisation	<u>32 079 700</u>	<u>32 079 700</u>
<i>Council Resolution dated</i>		
<b>40.2 Fruitless and wasteful expenditure</b>		
Reconciliation of fruitless and wasteful expenditure		
Opening balance -	7 291 254	7 175 059.52
Fruitless and wasteful expenditure current year	181 218	116 194
Condoned or written off by Council	-	-
Transfer to irregular		
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>7 472 472</u>	<u>7 291 254</u>
<b>40.3 Irregular expenditure</b>		
Reconciliation of irregular expenditure		
Opening balance	64 295 518	63 134 836
Irregular expenditure current year	-	1 160 683
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned		
Irregular expenditure awaiting condonement	<u>64 295 518</u>	<u>64 295 518</u>
Due to deviations from the procurement processes (invitations of three written quotations, increase to bidding price, and no relevant contract or tender documentation) that were approved on the basis of it being an emergency, while it was possible to comply with the requirements or where proper planning would have prevented the deviations. Due to contracts that were extended or renewed to such an extent that competitive bidding processes were being circumvented.		
<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE</b>		
<b>41 MANAGEMENT ACT</b>		
<b>41.1 Contributions to SALGA</b>		
Opening balance	-	-
Council subscriptions	561 893	416 768
Amount paid - current	-561 893	-416 768
Amount paid - previous years		
<b>Balance unpaid (included in payables)</b>	<u>-</u>	<u>-</u>
<b>41.2 Audit fees</b>		
Opening balance	410 425	1 596 881
Current year audit fee	2 078 008	1 780 661
Amount paid - current year	-1 229 223	-1 370 237
Amount paid - previous years	-410 425	-1 596 881
<b>Balance unpaid (included in payables)</b>	<u>848 786</u>	<u>410 425</u>
The balance unpaid represents the audit fee for an interim audit conducted during May and June 2013 and is payable by 31 July 2014.		

Musina Local Municipality  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

Note

R 2 014

R 2 013



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R

**41.3 VAT**

VAT input receivables and VAT output payables are shown in note 12. All VAT returns have been submitted by the due date throughout the year.

**41.4 PAYE and UIF**

Opening balance	643 187	312 442
Current year payroll deductions	11 657 569	7 092 744
Amount paid - current year	-10 401 995	-6 449 557
Amount paid - previous years	-643 187	-312 442
<b>Balance unpaid (included in payables)</b>	<b>1 255 573</b>	<b>643 187</b>

**41.5 Pension and Medical Aid Deductions**

Opening balance		
Current year payroll deductions and Council Contributions	11 621 880	7 968 665
Amount paid - current year	-11 621 880	-7 968 665
Amount paid - previous years		
<b>Balance unpaid (included in payables)</b>	<b>-</b>	<b>-</b>

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	Note	2 014	2 013
		R	R
<b>41.6 Councillor's arrear consumer accounts</b>			
The following Councillors had arrear accounts outstanding for more than 90 days as at:			
-			
	Total	Outstanding less than 90 days	Outstanding more than 90 days
	R	R	R
<b>as at 30 June 2014</b>			
PS Tlou [248403]	29 535		23 458
<b>Total Councillor Arrear Consumer Accounts</b>	<b>29 535</b>	<b>-</b>	<b>23 458</b>
<b>as at 30 June 2013</b>			
JS Banda [249661]	16 403		16 403
JS Banda [251043]	7 488		7 488
JS Banda [264821]	881		881
PS Tlou [248403]	18 971		18 971
J Kaunda [41913]	7 624		7 624
<b>Total Councillor Arrear Consumer Accounts</b>	<b>51 367</b>	<b>-</b>	<b>51 367</b>

**42 CAPITAL COMMITMENTS**

**42.1 Commitments in respect of capital expenditure**

- Approved and contracted for	11 713 601	3 736 976
Infrastructure	10 969 889	
Community	743 712	3 736 976
Heritage	-	
Budget & Treasury	-	
- Approved but not yet contracted for	26 422 285	49 684 000
Infrastructure	12 934 285	27 800 000
Community	13 488 000	21 884 000
Heritage	-	
Budget & Treasury	-	
<b>Total</b>	<b>38 135 886</b>	<b>53 420 976</b>

**Commitments in respect of operating project expenditure**

- Approved and contracted for	5 477 158	2 697 260
Infrastructure	-	-
Community	3 331 649	2 697 260
Heritage	-	
Budget & Treasury	2 145 509	
- Approved but not yet contracted for	3 027 715	2 833 559
Infrastructure	-	-
Community	-	
Heritage	-	
Budget & Treasury	3 027 715	2 833 559
<b>Total</b>	<b>8 504 873</b>	<b>5 530 819</b>
<b>Total Commitments</b>	<b>46 640 759</b>	<b>58 951 795</b>

This expenditure will be financed from:

- External Loans	10 969 889	20 000 000
- Government Grants	19 686 711	20 580 976
- Own resources	15 984 158	18 370 819
	<b>46 640 758</b>	<b>58 951 795</b>

**42.2 COMMITMENTS IN RESPECT OF OPERATING LEASES**

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

Within one year	26 573	24 156
In the second to fifth year inclusive	-	-
After five years		
<b>Total</b>	<b>26 573</b>	<b>24 156</b>

Operating Leases consists of the following:  
Operating lease payments represent office space payable by the municipality for certain of its office space leased. Leases are negotiated for an average of 1 year and have an annual escalation of 10%

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

	Note	2 014	2 013
		R	R
<b>43 POST- RETIREMENT MEDICAL AID BENEFITS</b>			
Opening Accrued Liability		6 346 975	-6 346 975
Current-service Cost		476 292	385 467
Interest cost		580 175	429 976
Contributions (benefits paid)		-143 388	-99 504
<b>Total Annual Expense</b>		<b>913 079</b>	<b>715 939</b>
Actuarial Loss/Gain		840 357	336 874
 <b>Closing Accrued Liability</b>		 <b>8 100 411</b>	 <b>6 346 975</b>

The Municipality provides certain post-retirement medical aid benefits . These medical aid benefits are unfunded.

These projections assume that the Municipality's health care arrangement and subsidy policy will remain as outlined in the valuation rapport and that all the actuarial assumptions made are borne out in practice

In addition, it is assumed that no contributions are made by the Municipality towards prefunding its liability via an off-balance sheet vehicle.

**44 CONTINGENT LIABILITY**

**44.1 Eskom Guarantee**

305 203	2 374 889
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Remaining portion of Bank Guarantee to Eskom pledged by ABSA on behalf of Municipality

**44.2 Unpaid Supplier**

African Oxygen

270 053	270 053
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The claim had been lodged against the Municipality by African Oxygen for rental of gas which was not paid. The Cost of the goods is estimated at R 270 053. The court date had been set and the case is still on going.

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>44.3 Unpaid Supplier</b>			
Slabby Consulting		648 107	648 107
The claim had been lodged against the Municipality by Slabby Consulting for the Services delivered which were not paid. The Cost of the goods/Services is estimated at R648 107. The court date had been set and the case is still on going.			
<b>44.4 Claim</b>			
Dickson Pesulo		146 000	146 000
The council is being Sued by Mr Dickson Pesulo, a non employee, for loss of income. The cost of income lost is estimated at R146 000. The Court date had been set the case is still on going.			
<b>44.5 Claim</b>			
Swatika Construction			
Termination of contract for fuel. The plaintiff want the Municipality to pay damage for the remainder of the contract			
		2 174 195	-
<b>44.6 Claim</b>			
The Merchies (Pty) Ltd			
The plaintiff alleges that the Municipality did not pay them the full contractual amount for additions and alterations to the Lesley Manyathela Stadium Tender 4/2009			
		314 582	-
<b>44.7 Claim</b>			
Philippus Lodewikus van der Merwe			
Applicant is seeking an order to transfer and register Erf 1667 & 1668 Messina ext 12 to his name. He want to pay an amount of R153 900.00 that the Council agreed to sell in 2003 now which is far less that the valued market price of the property.			
		767 000	-
<b>44.8 Wage curve</b>			
The municipality did not implement a wage curve agreement as implemented by SALGA. The amount payable to the employees is estimated based on salaries or wages paid or payable to the employees who were in employment of the municipality during September 2009 and 30 June 2012. The estimated liability was based on formula determined by SALGA			
		2 451 748	-
<b>44.9 Member of Council</b>			
During the year, remuneration to a councillor was paused due to legal implications with council member and the municipality.			
		72 017	-
<b>45 CONTINGENT ASSET</b>			
The municipality do not have contingent assets			



**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
<b>46 RELATED PARTIES</b>			
<b>Key Management - Refer to note 26</b>			
<b>Vhembe District Municipality</b>			
<p>As Vhembe District Municipality is the Water Services Authority and Musina Local Municipality is the water services provider, however the service level agreement was in dispute and the dispute was lodged with National Treasury for a final decision. The final decision from National Treasury states that all assets should be in the books of Vhembe District Municipality therefore Musina Local Municipality will not include any water transactions or assets in their Annual Financial Statements. The following transactions are involved:</p>			
<b>46.1 List of outstanding debtors for :</b>			
Water		9 316 999	8 884 385
Water basic		589 759	431 767
Sewerage		3 387 577	3 105 882
Septic tanks		624	624
Water new connection		4 656	5 218
		<b>13 299 615</b>	<b>12 427 875</b>
<b>46.2 List of all the deposits for :</b>			
Water		2 374 432	2 352 399
Sewerage		1 030 724	1 015 265
Total amount as on 30 June 2014		<b>3 405 156</b>	<b>3 367 664</b>
<b>46.3 Total billings for the year 01 July 2013 to 30 June 2014 for :</b>			
Water		37 070 564	24 373 374
Water basic		367 970	294 620
Sewerage		7 328 540	4 703 651
Total amount (excluding vat)		<b>44 767 074</b>	<b>29 371 645</b>
<b>46.4 Total allocated cash receipts for :</b>			
Sewerage		-5 025 031	-4 586 335
Water		-28 874 207	-24 630 708
Water basic		-245 119	-262 046
Income Water Connections		-8 845	-13 901
Income PrePaid		-1 330 733	-1 174 951
Income Septic Tanks		-26 813	-26 096
Total allocated cash receipts for : 13/14		<b>-35 510 748</b>	<b>-30 694 037</b>
<b>46.5 Reconciliation of related party</b>			
Opening balance		14 057 464	
Receipts from Vhembe		35 609 038	
Payments to Vhembe		33 321 531	
Total		<b>11 769 957</b>	
<b>46.6</b> The cost of indigent subsidy for water and sewerage for the financial year 1 July 2013 - 30 June 2014		2 744 772	2 844 310
<b>46.7</b> Total provision for leave 1 July 2013 - June 2014		894 077	753 083
<b>46.8</b> Total amount of stock as on 30 June 2014		488 870	386 686
<b>46.9</b> Total Annual Bonus		469 921	

**47 EVENTS AFTER THE REPORTING DATE**

There was change in management during 1 July 2014. The office of the mayor appointed a new mayor who assumed office with effect from 1 July 2014 and the assumed role as a member of council with effect from 1 July 2014

**48 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS**

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment  
Recoverable amounts of property, plant and equipment  
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)  
Present value of defined benefit obligation  
Provision for doubtful debts  
Impairment of assets

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
Provision for long-term service award			
Fair Value			
Other			
<p>The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:</p>			
Impairment of assets			
Provisions			
Other			

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

Note	2 014	2 013
	R	R

#### 49 RISK MANAGEMENT

##### 49.1 Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

ABSA Bank - Fixed deposits	10 348 797	8 278 911
ABSA Bank - Current/Cheque account	1 557 516	8 903 291

These balances represent the maximum exposure to credit risk.  
The municipality is exposed to an ABSA bank guarantee in favour of Eskom.

##### 49.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Not later than one month	Later than one month and not later than three months
<b>2013</b>		
Gross finance lease obligations	179 235	230 444
Borrowings	6 124 976	26 422 764
Trade and other payables		
Other		
	<b>Later than three months and not later than one year</b>	<b>Later than one year and not later than five years</b>
<b>2012</b>		
Gross finance lease obligations	637 172	770 584
Borrowings	1 348 428	16 677 041
	<b>1 985 600</b>	<b>17 447 625</b>
	<b>Not later than one month</b>	<b>Later than one month and not later than three months</b>
<b>2011</b>		
Gross finance lease obligations	546 742	653 636
Borrowings	1 232 295	12 907 002
	<b>1 779 037</b>	<b>13 560 638</b>

##### 49.3 Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments.

**Musina Local Municipality**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R
At year end, financial instruments exposed to interest rate risk were as follows:			
-ABSA Loan		17 355 483	-
- Development Bank of South Africa loan		15 192 257	16 671 107
-Bankfin		409 678	679 569
		<u>32 957 418</u>	<u>17 350 676</u>
<b>50 OPERATIONAL GRANT EXPENDITURE</b>			
Finance Management grant [FMG]		1 650 000	1 250 000
Municipal System Improvement Grant [MSIG]		890 000	800 000
EPWP		1 000 000	1 000 000
TOTAL OPERATIONAL GRANT EXPENDITURE		<u>3 540 000</u>	<u>3 050 000</u>
<b>51 INCOME FOREGONE</b>			
Assesment Rates		71 983	68 225
TOTAL INCOME FOREGONE		<u>71 983</u>	<u>68 225</u>
<b>52 ELECTRICITY PRE-PAID POWER CARDS</b>			
Value of cards as at 30 June 2013			
Bosveld Enterprises		-	4 290
Kwik Spar		-	4 560
Mshongo Classic		-	840
Engem Petrol Station		-	68 560
TOTAL ELECTRICITY PRE-PAID POWER CARDS		<u>-</u>	<u>78 250</u>
<b>53 IN-KIND DONATIONS AND ASSISTANCE</b>			
De Beers		2 076 389	
The municipality received a donation of Mass lights (capital assets), from De Beers during the financial year. The assets received were capitalised and recognised in the asset register and a donation income was recognised accordingly			
		<u>2 076 389</u>	<u>-</u>



**Musina Local Municipality**  
**NOTES TO THE FINANANCIAL STATEMENTS**  
**for the year ended 30 June 2014**

	Note	2 014	2 013
		R	R

**54 RETIREMENT BENEFIT INFORMATION**

**Defined contribution plan**

The following are defined contribution plans: Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. These contributions have been expensed.

**Defined benefit plan**

The following are defined benefit plans: Municipal Gratuity Fund. This plan is not treated as defined benefit plans as defined by IAS19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par. 30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. The municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.

Certain employees of the municipality belong to the Joint Municipal pension fund, Municipal Employees Pension Fund, SALA Pension Fund, National Fund for Municipal Workers. The most recent actuarial valuation was done in 2013. These valuations indicate that the plan is in a sound financial position.

An amount of R7 914 712 ( 2013 : R5 293 953) was contributed by Council in respect of Councillors and employees retirement funding. These contributions have been expensed and are included in employee related costs for the year.

**Musina Local Municipality**

**APPENDIX A**

**SCHEDULE OF EXTERNAL LOANS**

as at 30 June 2014

<b>EXTERNAL LOANS</b>	<b>Loan number</b>	<b>Redeemable Date</b>	<b>Balance at 30 June 2013</b>	<b>Received during the period</b>	<b>Redeemed / written off during the period</b>	<b>Balance at 30 June 2014</b>
			<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>LONG-TERM LOANS</b>						
(DBSA) INFRASTRUCTURE @ 10%	102405	30/06/2026	16 671 107		(1 478 850)	15 192 257
(ABSA)				20 653 019	(3 297 536)	17 355 483
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532299	01/09/2013	7 415.68		(7 416)	-
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532345	01/09/2013	7 415.68		(7 416)	-
(BANKFIN) 2008 S.A.M.E EXPLORER 85 SPE @ 8%	77532043	01/09/2013	15 998.87		(15 999)	-
(BANKFIN) 2008 TOYOTA DYNA 7-105 4.5 TO @ 8%	77552362	01/09/2013	14 240.47		(14 240)	-
(BANKFIN) TOYOTA HILUX 2.5D-4D @ 8%	77532310	01/09/2013	7 415.68		(7 416)	-
(BANKFIN) AVESIS 2.0 ADVAN @ 8%	77531802	01/09/2013	12 862.44		(12 862)	-
(BANKFIN) 2008 RCEDES BENZ MO350(W164) @ 8%	77196795	02/08/2016	574 404.37		(164 724)	409 680
(BANKFIN) 2008 HINO 13-237 @ 8%	77552214	01/09/2013	39 815.68		(39 816)	-
<b>TOTAL EXTERNAL LOANS</b>			<b>17 350 676</b>	<b>20 653 019</b>	<b>(5 046 275)</b>	<b>32 957 420</b>

Musina Local Municipality  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
as at 30 June 2014

	Cost / Revaluation					Accumulated Depreciation					Transfe rs	Other movements	Carrying Value R
	Opening Balance R	Additions R	Movement	Disposals R	Under Constructio n R	Closing Balance R	Opening Balance R	Depreciation R	Movement	Disposals R	Impairment loss/Reversal of impairment loss R	Closing Balance R	
<b>Land</b>													
Land	28 707 202	-	-	-	-	28 707 202	-	-	-	-	-	-	28 707 202.00
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Buildings</b>													
	28 707 202	-	-	-	-	28 707 202	-	-	-	-	-	-	28 707 202.00
<b>Infrastructure</b>													
Drains	41 342 285	6 426 959	-	-	2 456 289	50 225 534	-6 044 542	-1 456 046	-	-	-	-7 500 587	42 724 946.20
Roads	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Mains & Purification	166 679 756	2 559 362	-	-	4 433 821	173 672 939	-89 387 008	-10 090 380	-	-	-6 396 198.00	-105 873 586	67 799 352.42
Electricity Mains	631 178	-	-	-	-	631 178	-96 277	-22 542	-	-	-	-118 819	512 358.84
Electricity Peak Load Equip	75 107 285	2 576 973	-	-	3 460 990	81 145 248	-19 995 148	-5 150 862	-	-	-	-25 145 809	55 999 438.58
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	127 610	-	-	-	-	127 610	-64 154	-5 000	-	-	-	-69 153	58 456.71
Water Meters	355 692	-	-	-	-	355 692	-165 143	-12 703	-	-	-	-177 847	177 845.40
Storm Water	478 824	-	-	-	-	478 824	-266 012	-53 203	-	-	-	-319 215	159 609.00
<b>Community Assets</b>													
Parks & Gardens	243 380 345	5 136 335	-	-	7 894 811	256 411 490	-109 973 742	-15 334 489	-	-	-6 396 198	-131 704 429	124 707 060.95
Libraries	1 526 028	2 693 538	-	-	-	4 219 566	-	-99 327	-	-	-	-99 327	4 120 238.94
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	24 851 507	5 935 724	-	-	-	30 787 232	-1 074 134	-780 430	-	-	-	-1 854 564	28 932 667.48
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>													
Historical Buildings	26 377 535	8 629 262	-	-	-	35 006 797	-1 074 134	-879 757	-	-	-	-1 953 891	33 052 906.42
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total carried forward</b>	339 807 367	20 192 556	-	-	10 351 100	370 351 023	-117 092 418	-17 670 292	-	-	-6 396 198	-141 158 907	229 192 115.57

Musina Local Municipality  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
as at 30 June 2014

as at 30 June 2014															
	Cost / Revaluation					Accumulated Depreciation									
	Opening Balance	Additions	Movement	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R		R	R	R	R	R		R	R	R	R	R	R
Total brought forward	339 807 367	20 192 556		-	10 351 100	370 351 023	-117 092 418	-17 670 292		-	-6 396 198	-141 158 907	-	-	229 192 115 57
Other Assets															
Office Equipment	3 342 925	450 179	(44 533)	(1 787 383)	-	1 961 188	-2 123 295	-528 462	2 190	1 787 383	-	-862 184	-	-	1 099 004 08
Furniture & Fittings	2 446 737	167 509	(83 316)	(89 287)	-	2 441 642	-1 010 307	-229 122	-37 499	76 374	-	-1 200 555	-	-	1 241 087 22
Bins and Containers	1 463 220	130 890		-	-	1 594 110	-244 034	-42 302	112	-	-	-286 223	-	-	1 307 886 81
Emergency Equipment	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	3 733 605			(1 778 456)	-	1 955 149	1 088 507	-1 109 703		1 725 753	-	1 714 557	-	-	3 669 706 30
Plant & Equipment	2 342 208	83 107	51 423	(790 766)	-	1 685 972	-1 688 985	-249 451	37 416	790 766	-	-1 110 254	-	-	575 718 27
Car Port	8 494	-		-531	-	8 494	-2 406	-531		-	-	-2 937	-	-	5 557 41
Computer Equipment	211 132	-	76 428	(20 995)	-	266 566	-35 913	-32 884	-2 107	10 497	-	-60 406	-	-	206 159 24
Computer Software (part of computer equipment)	-	-		-	-	-	-	-		-	-	-	-	-	-
Other Assets	-	-		-	-	-	-	-		-	-	-	-	-	-
Finance Lease Assets															
Office Equipment	9 814 717	4 565 290	2	(4 466 887)	-	9 913 122	(4 006 433)	(2 192 454)	111	4 390 773	-	(1 808 002)	-	-	8 105 119 33
Other Assets	8 684 698	100 743		-	-	8 785 440	-4 885 600	-429 519		-	-	-5 315 120	-	-	3 470 320 72
	8 684 698	100 743		-	-	8 785 440	(4 885 600)	(429 519)		-	-	-5 315 120	-	-	3 470 320 72
Total	358 306 781	24 858 589		(4 466 887)	10 351 100	389 049 585	-125 984 451	-20 292 265	111	4 390 773	-6 396 198	-148 282 029	-	-	240 767 585 62





Musina Local Municipality  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
as at 30 June 2013

as at 30 JUNE 2013														
	Cost / Revaluation					Accumulated Depreciation								
	Opening Balance	Additions	Movement	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Movement	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements
	R	R		R	R	R	R	R		R	R	R	R	R
Total brought forward	338 442 664	1 848 745		-	5 899 357	339 807 367	-52 929 447	-16 887 010		-	-47 408 968	-117 092 418	-	222 714 949 34
Other Assets														
Office Equipment	3 562 061	41 533		(260 669)	-	3 342 925 20	-2 152 670	-567 097	423 670	172 801	-	-2 123 295	-	1 219 629 94
Furniture & Fittings	2 310 247	182 738		(46 248)	-	2 446 737 02	-1 291 292	-332 669	580 705	32 949	-	-1 010 307	-	1 436 429 94
Bins and Containers	1 463 220	-		-	-	1 463 220 00	-221 878	-44 350		22 195	-	-244 034	-	1 219 186 16
Emergency Equipment	-	-		-	-	-	-	-		-	-	-	-	-
Motor vehicles	-	-		-	-	-	-	-	1 098 507	-	-	1 098 507	-	1 098 507 14
Fire engines	2 402 008	-		(59 800)	-	2 342 208 29	-1 782 190	-322 900	371 470	44 634	-	-1 688 985	-	653 222 90
Refuse tankers	8 494	-		-	-	8 494 00	-3 000	-653		-	-	-2 406	-	6 088 29
Computer Equipment	211 132	-		-	-	211 132 00	-41 397	-46 553	52 037		-	-35 913	-	175 219 35
Computer Software (part of computer equipment)	-	-		-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-		-	-	-	-	-	-	-	-	-	-	-
Finance Lease Assets														
Office Equipment	9 957 161	224 271	-	(366 716)	-	9 814 717	(5 492 427)	(1 314 221)	2 527 637	272 579	-	(4 008 433)	-	5 808 283 72
Other Assets	6 016 425	2 668 273		-	-	8 684 698	-3 880 179	-1 005 421		-	-	-4 885 600	-	3 799 097 22
	6 016 425	2 668 273	-	-	-	8 684 698	(3 880 179)	(1 005 421)		-	-	(4 885 600)	-	3 799 097 22
Total	354 416 251	4 741 289		(366 716)	5 899 357	358 306 781	(62 302 053)	(19 206 652)	2 527 637	272 579	(47 408 968)	(125 984 451)	-	232 322 330 28

Musina Local Municipality  
APPENDIX C  
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT  
as at 30 June 2014

	Cost / Revaluation				Accumulated Depreciation				Carrying value		
	Opening Balance	Additions	Take on	Under Construction	Disposals	Closing Balance	Opening Balance	Additions		Disposals	Closing Balance
	R	R		R	R	R	R	R	R	R	R
Executive & Council	2 748 650	551 783	-	-	-	3 300 434	1 432 690	297 171.80	-	1 729 861	1 570 572
Finance & Admin	254 691 425	189 450	-	-	-	250 413 987	109 880 161	22 513 654	(4 390 773)	128 003 042	122 410 945
Planning & Development	42 612 559	172 807	-	-	-	42 785 366	387 076	887 148	-	1 274 223	41 511 142
Community & Social Services	194 184	6 487 264.61	-	2 456 288.53	-	9 137 737	167 360	34 725	-	202 084	8 935 653
Public Safety	623 593	-	-	-	-	623 593	412 415	85 544	-	497 959	125 634
Sport & Recreation	15 669 540	8 629 262.04	-	-	-	24 298 802	19 968	4 142	-	24 110	24 274 692
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-
Waste Management	2 162 192	3 691 688	-	-	-	5 853 880	745 995	154 736	-	900 731	4 953 149
Road Transport	11 515 204	-	-	4 433 821.05	-	15 949 025	5 271 520	1 093 431	-	6 364 951	9 584 074
Water	-	-	-	-	-	-	-	-	-	-	-
Electricity	28 089 439	5 136 395.77	-	3 460 990.48	-	36 686 825	7 667 195	1 617 936	-	9 285 131	27 401 694
Total	358 306 785	24 858 650	-	10 351 100	(4 466 887)	389 049 649	125 984 380	26 688 486	(4 390 773)	148 282 093	240 767 556

## APPENDIX D

## for the year ended 30 June 2014

for the year ended 30 June 2014					
2013	2013	2013	2014	2014	2014
	Actual	Surplus /		Actual	Surplus /
	Expenditure	(Deficit)		Expenditure	(Deficit)
Actual Income			Actual Income		
R	R	R	R	R	R
10 876 098	43 790 808	(32 914 711)	17 746 605	44 980 999	(27 234 394)
36 621 751	90 814 093	(54 192 342)	39 650 192	52 411 676	(12 761 484)
11 265 824	13 842 981	(2 577 158)	1 000 000	6 071 194	(5 071 194)
99 836	440 705	(340 870)	791 075	13 118 238	(12 327 163)
	3 895 078	(3 895 078)		7 360 687	(7 360 687)
7 681 448	8 997 855	(1 316 408)	10 888 769	11 243 931	(355 162)
4 110 155	8 360 172	(4 250 017)	4 837 377	11 643 039	(6 805 662)
74 747 695	43 190 801	31 556 894	73 388 146	56 451 252	16 936 894
	417 206	(417 206)		-	-
145 402 806	213 749 700	(68 346 893)	148 302 163	203 281 014	(54 978 852)
			Less: Inter-Department Charges		
145 402 806	213 749 700	(68 346 893)	148 302 163	203 281 014	(54 978 852)



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R thousands

## Financial Performance

Property rates  
Service charges  
Investment revenue  
Transfers recognised - operational  
Other own revenue  
**Total revenue (excluding capital transactions and contributions)**

Employee costs  
Remuneration of councillors  
Debt impairment  
Depreciation  
Finance charges  
Materials and bulk purchases  
Transfers and grants  
Other expenditure  
**Total Expenditure**

Surplus/(Deficit)

Transfers recognised - capital  
Contributions recognised - capital & contributed  
assets  
**Surplus/(Deficit) after capital transfers &  
contributions**

Share of surplus/ (deficit) of associate  
Surplus/(Deficit) for the year

### Capital expenditure & funds sources

**Capital expenditure**  
Transfers recognised - capital  
Public contributions & donations  
Borrowing  
Internally generated funds  
**Total sources of capital funds**

## Cash flows

Net cash from (used) operating  
Net cash from (used) investing  
Net cash from (used) financing  
Cash/cash equivalents at the year end

**APPENDIX E2**  
**Reconciliation of Budgeted Financial Performance (revenue and expenditure by standard classification)**  
2013/2014

Description	Original Budget	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
<b>R thousand</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>Revenue - Standard</b>											
<i>Governance and administration</i>											
Executive and council	41 435 830		41 435 830		-	41 435 830	17 746 605		(23 689 225)	43	(57)
Budget and treasury office	38 626 200		38 626 200		-	38 626 200	39 650 192		1 023 992	103	3
Corporate services	-		-		-	-	-		-	-	-
<i>Community and public safety</i>											
Community and social services	138 000		138 000		-	138 000	99 976		(38 024)	72	(28)
Sport and recreation	-		-		-	-	-		-	-	-
Public services	250 000		250 000		-	250 000	691 098		441 098	-	-
Housing	-		-		-	-	-		-	-	-
Health	-		-		-	-	-		-	-	-
<i>Economic and environmental services</i>											
Planning and development	1 035 000	-	1 035 000	-	-	1 035 000	1 000 000		(35 000)	-	-
Road transport	3 200 000		3 200 000		-	3 200 000	4 837 377		1 637 377	-	-
Environmental protection	-		-		-	-	-		-	-	-
<i>Trading services</i>											
Electricity	90 095 365		90 095 365		-	90 095 365	73 388 146		(16 707 219)	81	(19)
Waste management	7 449 296		7 449 296		-	7 449 296	10 888 769		3 439 473	146	46
<i>Other</i>											
<b>Total Revenue - Standard</b>	<b>182 229 691</b>	<b>-</b>	<b>182 229 691</b>	<b>-</b>	<b>-</b>	<b>182 229 691</b>	<b>148 302 163</b>	<b>-</b>	<b>(33 927 528)</b>	<b>81</b>	<b>(19)</b>
<b>Expenditure - Standard</b>											
<i>Governance and administration</i>											
Executive and council	27 638 902	8 500 000	36 138 902		6 953 937	43 092 839	44 980 999		1 888 160	104	7
Municipal Manager	9 405 035		9 405 035		-	9 405 035	9 083 032		(322 003)	97	(3)
Budget and treasury office	24 345 818	12 500 000	36 845 818		(29 594)	36 816 224	30 867 654		(5 948 570)	84	(24)
Corporate services	16 256 427		16 256 427		(2 579 567)	13 676 860	12 460 989		(1 215 871)	-	-
<i>Community and public safety</i>											
Community and social services	7 271 868		7 271 868		(3 209 375)	4 062 493	4 023 074		(39 419)	99	(1)
Park and recreation	4 839 913		4 839 913		2 437 329	7 277 242	7 360 687		83 445	101	2
Public services	11 405 048		11 405 048		(5 028 664)	6 376 384	7 859 613		(1 483 229)	97	(28)
Housing	40 800		40 800		394 855	435 655	424 259		197	-	-
Tourism	388 452		388 452		422 642	811 094	811 291		-	-	-
<i>Economic and environmental services</i>											
Planning and development	15 277 581		15 277 581		(8 076 219)	7 201 362	6 071 194		(1 130 168)	84	(7)
Road transport	9 840 599		9 840 599		1 890 582	11 731 181	11 643 039		(88 142)	-	-
Environmental protection	-		-		-	-	-		-	-	-
<i>Trading services</i>											
Electricity	52 382 563		52 382 563		2 720 829	55 103 392	56 451 252		1 347 860	102	3
Waste management	7 140 685		7 140 685		4 103 245	11 243 930	11 243 931		1	100	0
<i>Other</i>											
<b>Total Expenditure - Standard</b>	<b>186 233 691</b>	<b>21 000 000</b>	<b>207 233 691</b>	<b>-</b>	<b>-</b>	<b>207 233 691</b>	<b>203 281 014</b>	<b>-</b>	<b>(5 435 906)</b>	<b>869</b>	<b>(53)</b>
<b>Surplus/(Deficit) for the year</b>	<b>(4 004 000)</b>	<b>(21 000 000)</b>	<b>(25 004 000)</b>	<b>-</b>	<b>-</b>	<b>(25 004 000)</b>	<b>(54 978 852)</b>	<b>-</b>	<b>(28 491 622)</b>	<b>(788)</b>	<b>34</b>

**APPENDIX F**  
**DEVIATION FROM PROCUREMENT PROCESSES**  
**Supply Chain Regulation 36(2)**  
**for the year ended 30 June 2014**

Department	Supplier	Amount (VAT inc)	Reason for deviation	Cheque no
TECHNICAL	MESSINA INDUSTRIAL & MINING	2 836	Sole local supplier with specific pump and motor in stock. Urgently required to resume water supply at Esmefour School.	56114
CGE	THIKO TECHNOLOGIES	86 875	There was a need to procure the system that will make the ticketing services and assist with countering the fraudulent reproduction of the annual show and give statistics on entry points including the comp ticketing services and the committee agreed on the said ticketing services to be procured.	55093
MM OFFICE	FLIGHT SPECIAL TZANEEN	191 428	Service rendered under a contract in previous years and payment only processed in the current year.	54999
TECHNICAL	CENTRAL AFRICA CRUSHER	3 275	Sole local supplier for concrete and river sand	56458
TECHNICAL	CENTRAL AFRICA CRUSHER	3 275	Material required for speedbumps in streets. sole local crusher to supply stone and sand.	57196
BUDGET & TREASURY OFFICE	ARCH ACTUARIAL CONS	17 100	We could not obtain a third quotation from an acturial company which is reputable.	57010
COMMUNICATIONS	MBEDZI AE	3 500	It was realized at the eleventh hour that due to the pressure of work and shortage of staff it was impossible for the Communications Manager to do media relations, photography and video coverage for the duration of the show, especially during the night of the 26th and 27th July at the occasions of the music festivals.	56418



CGE	THIKO TECHNOLOGIES	103 886	There was a need to procure the system that will make the ticketing services and assist with countering the fraudulent reproduction of the annual show and give statistics on entry points including the comp ticketing services and the committee agreed on the said ticketing services to be procured.	56187
MM OFFICE	RICKERD PROPERTIES	8 994	This was the only service provider agreed to run the bar for Mayoral Guest	56165
TECHNICAL	PRESTIGE SIGNS	4 320	Some work suits do not have the Municipality's name on it. Only two local suppliers are able to do the service and to quote.	56194
TECHNICAL	NTK	2 860	Only two quote received	58241
TECHNICAL	NTK	12 103	We only use Speroni pumps to drain and manage effluent levels sewer sumps. Ntk is the sole local supplier for Speroni pumps	58221
TECHNICAL	A J ROETS	19 055	A high voltage cable blew in Nancefield Ext 5. The services of a specialist electrician was called upon to repair the cable in order to restore electricity quickly.	57397
TECHNICAL	CENTRAL AFRICA CRUSHER	3 275	Material required for speedbumps in streets. sole local crusher to supply stone and sand.	57418



TECHNICAL	SET POINT LABORATORIES	10 763	It is compulsory to verify our own Laboratory results with an Accredited Laboratory set point. Laboratories are the ones we deal with as they have build up data information with regard to samples.	57358
TECHNICAL	NTHAMBE ELECTRICAL	59 045	On 22/08/2013 a MV cable (11000 volt) blew in Nfield ext 4. We did not have in stock and it was a matter of urgency and only comp elling to help and restore power.	57416
TECHNICAL	WEMBRO HIRE	8 384	Sole supplier	58685
TECHNICAL	NTK	3 779	Sole local supplier for the specific items required.	58223
TECHNICAL	RALENT CC	90 972	An electrical storm on the eve of 30th October 2013 caused the town 2 bulk 11kv feeder switchgear to be damage beyond repair. The electricity was off for 20hrs and ralent was the only supplier to have in stock.	59436
TECHNICAL	BELTA SERVICES	15 986	Sole supplier	59617
TECHNICAL	AJ ROETS	31 050	Severe electrical damage occurred after the storm on the eve of 30/10/2013. three transformers, two main sub station 11kv breakers and some 11kv cable had to be replaced. The manager Electrical is still on sick leave and Mr Ramukanda was on training course. The service of Mr A J Roets had to be called upon to assist with repairs.	60411

TECHNICAL	MES ENGINEERING	35 902	The Technical department had a drilling program in the Limpopo River to install additional sandwell boreholes. The borehole pipes are 225mm UPVC Pipes and fittings have to custom made, Previous fittings were not completely satisfactory. The GM Technical designed fit for purpose pipe/pump fitting and had it manufactured locally.	60482
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TECHNICAL	NTK MESSINA	9 719	NTK is the sole local supplier for irrigation equipment that is of a higher capacity than standard household garden equipments.	60682
TECHNICAL	N1 GLASS	17 903	Only two quotes available as there are only two local suppliers of glass and aluminium	60472
TECHNICAL	AJ ROETS	6 950	After various attempts by the Electrical Superintendent to solve the overloading issue it was not resolved. Customers in the Klaff and Whyte streets area kept on complaining. The Manager Electrical is on sick leave and the services for Mr. AJ Roets was called upon. The problem was solved.	59566
TECHNICAL	NTK	12 103	We only use Speroni pumps to drain and manage effluent levels sewer sumps. Ntk is the sole local supplier for Speroni pumps	60911
TECHNICAL	MASHAO DN	3 100	The service provider was busy fixing outside overhanging ceilings on the building and was then requested to do partitioning and door installation whilst still on site. The additional office space is required for additional staff.	60923
TECHNICAL	MASHAO DN	9 800	Bravorox Construction was appointed to remove carpets and install ceramic tiles in various offices and the old council chambers. The municipality had some ceiling boards available at the stores and Bravorox were then requested to install as they were still busy with repair work.	60824
TECHNICAL	PD OTTO	6 612	1000v cable fault on Nancefield and Blikkiesdorp supply cable on eve of 21/11/2012. Sole supplier with relevant electronic testing equipment to react early on 22/11/2013	60826

TECHNICAL	N1 GLASS	8 105	Sole local supplier. The existing aluminium and glass partition at the library has to be re-positioned and added on	60851
TECHNICAL	AJ ROETS	11 800	A high voltage cable blew in Nancefield Ext 5. The services of a specialist electrician was called upon to repair the cable in order to restore electricity quickly.	60852
TECHNICAL	MBATINI ELECT	310 664	Sole electrical Engineering company to react immediately. Major breakdown in electrical supply from 30 October 2013 to 03 November 2013. Mbatini Elec reacted immediately with the supply of two 11kva circuit breakers for the main substation. Mbatini elec assisted with the installation of the two 11kva circuit breakers and 11kva cable as well as te supply and installation of a 22kva and to recharge.	60860
MM OFFICE	FLIGHT SPECIAL TZANEEN	105 077	Service were rendered under a contract in previous years and payment only processed in the current year.	60873
TECHNICAL	ACTOM - CHI	231 420	Sole suppliers. Two 12kv circuit breakers were destroyed and we needed to replace.	60879
TECHNICAL	MBATINI ELECTRICAL	310 664	Sole electrical Engineering company to react immediately. Major breakdown in electrical supply from 30 October 2013 to 03 November 2013. Mbatini Elec reacted immediately with the supply of two 11kva circuit breakers for the main substation. Mbatini elec	60860
TECHNICAL	AQUALITY LAB	3 226	Sole supplier - Manufacturer of specific instruments.	61701



TECHNICAL	MESSINA TOYOTA	5 105	Sole local Toyota Agent.	61617
TECHNICAL	THUSANANI PANELBEATERS	2 300	Received only two quotations.	61622
TECHNICAL	CENTRAL AFRICA CRUSHERS	2 781	Material required for speedbumps in streets sole local crusher to supply stone and sand.	61632
COMMUNITY SERVICES	SHOPRITE CGS	4 628	Childrens holiday programme party. Only shoprie had all the things we requested for the function.	61635
TECHNICAL	GROENEWALDS	13 260	HO cable in municipal stores. the pan mixer for the asphalt arrived on 17/09/2014 and the electric connectio had to be done immediately to get the machine functional and to do training.	61662
TECHNICAL	AJ ROETS	59 800	A high voltage cable blew in Nancefield Ext 5. The services of a specialist electrician was called upon to repair the cable in order to restore electricity quickly.	61600
TECHNICAL	NATIONAL LABORATORY ASSOCIATION	11 875	These test are part of the Blue drop requirements. The SABS and N.L.A are the designated laboratories for the Blue drop requirements.	62640

TECHNICAL	PD OTTO	7 437	1000vl cable fault on Nancefield and Blikkiesdorp supply cable on eve of 21/1/2012. Sole supplier with relevant electronic testing equipment to ract early on 22/1/2013	65903
TECHNICAL	POLOKWANE SURFACING	19 528	Sole supplier in Limpopo. We need the emulsion for the continuation of our road repair programme.	51788
TECHNICAL	CETRAL AFRICA CRUSHERS	5 910	Sole local Supplier for aggregate and crusher sand.	64048
TECHNICAL	NTK	12 103	We only use Speroni pumps for sewage pumps as the pumps have proven to be the most reliable. We have five sewage pumps that have to be cleaned out regularly, NTL is the sole local supplier for Speroni Pumps.	64049
TECHNICAL	SAFTRONICS	27 879	Sole suppliers for safronic soft starters. We use safronic and cutler hammer soft starters for our main bulk water supply pumps.	64050
TECHNICAL	GROENEWALDS	14 139	Sole local supplier with tools and testers that conform and comply to insulation standards and the testers to SABS, for the additional tools and electrical testr required for the new electricians and for the workshop.	63924
TECHNICAL	POLOKWANE SURFACING	19 528	Sole supplier in Limpopo. We need the emulsion for the continuation of our road repair programme. Polokwa	64134

TECHNICAL	TOP T MUSINA	4 441	Sole local supplier for heavy duty floor tiles. Other local suppliers deal only with wall and bathroom tiles.	65289
IT	ESET SA	16 693	Our annual license for Eset Nod32 Anti-Virus needs to be renewed. We are dealing directly with Eset and they are the OEM.(original Electronic Manufacturer)	65929
TECHNICAL	ACTORM - CHI CONTROL	89 239	Sole suppliers. Two 12kv circuit breakers were destroyed and we needed to replace.	66064
TECHNICAL	TALISMAN PLANT & TOOL	6 570	Sole supplier. The drum roller bearings broke down and the vibrator unit needs repairs. Talisman stripped the roller to determine damages. Talisman at present is the sole supplier to repair the roller.	66066
TECHNICAL	TRALI AFRICA TRADING CC	6 380	Sole supplier. The roofland loading racks on the 5 new Toyota bakkies are trali Africa manufactured. The 6th bakkie does not have a loading rack for ladders link sticks etc. This bakkie is for electrical dept and needs to be fitted with one.	66073
TECHNICAL	TOP T MUSINA	3 638	Sole local supplier for heavy duty floor tiles. Other local suppliers deal only with wall and bathroom tiles.	66116
TECHNICAL	GROENEWALDS	2 709	Sole local supplier for Fluor fittings and fluor light tubes anything bigger than a standard one globe fitting and light.	66117

TECHNICAL	ROAD MATERIAL STABILISERS	113 259	Sole suppliers. Road Material stabilisers is the manufacturer of the LBS filler binder and does not operate through retail outlets.	66158
TECHNICAL	GROENEWALDS	7 876	Sole supplier that mixes paint to achieve the required colours.	66924
TECHNICAL	HYDRO CARE WATER TREATMENT	4 927	Chlorine HTH chips are only supplier by Hydrocare.	67146
TECHNICAL	TALISMAN	13 500	Sole supplier. The drum roller bearings broke down and the vibrator unit needs repairs. Talisman stripped the roller to determine damages. Talisman at present is the sole supplier to repair the roller.	68310
TECHNICAL	ATCOM - CHI CONTROL	73 328	Sole suppliers. Two 12kv circuit breakers were destroyed and we needed to replace.	67857
PROCUREMENT	LIDOVHO/LORESA	10 000	We received the communicate very late and that didn't allow us time to have to prepare our memorandum for request on time and this led to procuring transport using one quote.	68291
TECHNICAL	BIZZY LIZZI	3 155	Bizzi Lizzi Garden Centre is the sole provider for provision of the 200 Flowers for Nancefield Park	67174



TECHNICAL	INLAND TOOL HIRE	4 201	Sole supplier	67340
TECHNICAL	BRAVOROX CONSTRUCTION	7 500	Sole supplier	67840
TECHNICAL	CAPRICON VET LAB	2 628	for water quality assurance	67421
TECHNICAL	CENTRAL AFRICA CRUSHERS	16 900	Sole supplier of sole local supplier for asphalt mix ingredients	68996
TECHNICAL	CENTRAL AFRICA CRUSHERS	5 830	Sole supplier of sole local supplier for asphalt mix ingredients	68324
TECHNICAL	CENTRAL AFRICA CRUSHERS	7 975	Sole supplier of sole local supplier for asphalt mix ingredients	68319
MM OFFICE	MUSIC PROFILE MANAGEMENT	10 674	To request payment of deposit to secure the services of the MPM artists to perform at the Annual Show.	68360

MM OFFICE	WICKED SOUNDS PRODUCTIONS	20 250	The performing artist availability on the dates for Annual Show, is not fixed unless you pay the deposit as per the contracts signed.	69209
TECHNICAL	ELSTER KENT	65 445	We have run out of water tokens for pre-paid water. These tokens are only available from Elster Kent and we need these urgently as this will affect service delivery.	54788
COUNCIL GENERAL EXP	PROSWIKA MULTIMEDIA PRODUCTION	17 500	The performing artist availability on the dates for Annual Show, is not fixed unless you pay the deposit as per the contracts signed.	68543
TECHNICAL	KUMBELO TRADING 102	30 000	For the emergency upgrade of show ground	68518
TECHNICAL	CENTRAL AFRICA CRUSHERS	9 031	Sole supplier of sole local supplier for asphalt mix ingredients	68519
TECHNICAL	NTK	2 187	Sole local supplier for high pressure (class 10) HDPE water pipes.	68520
MM OFFICE	KAMVALETHU PRODUCTIONS	100 000	The performing artist availability on the dates for Annual Show, is not fixed unless you pay the deposit as per the contracts signed.	68527

MM OFFICE	SOUL T PRODUCTION	7 500	The performing artist availability on the dates for Annual Show, is not fixed unless youpay the deposit as per the contracts signed.	68539
MM OFFICE	TSWAKO MUSIC & PROJECTS	35 000	The performing artist availability on the dates for Annual Show, is not fixed unless youpay the deposit as per the contracts signed.	68538
MM OFFICE	EUPHONIK PRODUCTION	11 400	The performing artist availability on the dates for Annual Show, is not fixed unless youpay the deposit as per the contracts signed.	68541
MM OFFICE	MOFUNK ENTERTAINMENT	10 000	The performing artist availability on the dates for Annual Show, is not fixed unless youpay the deposit as per the contracts signed.	68540
EDP	PLANKOSULT	27 514	Proclamation of rezoning in terms of section 57 of Town planning & Townships Ordinance 15 of 1986 si the responsibility of the municipality.Plankonsult have done this on our behalf which is why they need to be refunded for the fund paid to provincial Gazette	55836,60812 & 66060
CORPORATE SERVICES	LEXIS NEXIS	72 871	Urgent requirements for the updates on local government Legislation and any specialist local government publication and Lexis Nexis offer Sole ownership for the local government online package.Certificate of sole ownership attached	55075,55841,6 2757,64080,64 066,68292 & 67394
FINANCE	MUGWEDI HILDA	81 081	L M Moleya was the leader of the team appointed, she was then permanently employed by Musina Municipality. The team then appointed Mugwedi H J to lead the team.We are still using them until we appoint the srvice provider for Sorting, Folding and posting municipal debtors accounts.	65924,56177,5 7359,54993,59 478,68327,621 09,67280,6390 8,61498 & 60794

MM OFFICE	GANYANI ENTERTAINMENT	12 500	The performing artist availability on the dates for Annual Show, is not fixed unless you pay the deposit as per the contracts signed.	68542
TECHNICAL	CENTRAL AFRICA CRUSHERS	4 880	Sole local supplier for crusher sand and stone that is used in our Tar Batch Plant.	68491
MM OFFICE	MIRROR	6 408	Limpopo Mirror is the only regional paper that covers vhembe district	68463
MM OFFICE	IPAC INTEGRITY MATTERS	16 855	The assessments are required on an urgent basis to determine suitability of interviewees and recommended candidates of the post.	68502
TECHNICAL	CASHBUILD	10 155	For the emergency upgrade of show ground	58389
TECHNICAL	EAST CAPE PUBLISHING	17 898	The amount for services exceeds your limit as per procurement policy	69208

**2 941 977**